



**NEW HORIZONS
CONFERENCE**

Future-Proofing the Industry: Organizational Culture and Responsible Gambling

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EXECUTIVE SUMMARY

Leaders and policymakers that are attempting to improve the state of responsible gambling programs often face intangible barriers that are not clearly related to strategy or expertise, but may confound operations, nonetheless. Claims about responsible gambling commitment can be high throughout an organization but broader impacts fall short. While it is an open question why this may be the case, it likely relates to one of the most important but elusive determinants of performance: organizational culture.

Today, many harm reduction initiatives focus on responsible gambling tools and external stakeholder initiatives, but *future-proofing* the industry will likely require an integration of responsible gambling objectives across all business decisions and practices through changes in organizational culture.

WHAT IS ORGANIZATIONAL CULTURE

Organizational culture is the intangible social dynamic within a firm that drives norms around individuals' attitudes and behaviors. It determines what ideas, strategies, and practices at the organization get supported or rejected. Along with strategy, organizational culture is viewed as one of the primary mechanisms available to leaders to position a company towards the right outcomes.

Relative to the age of the industry, the practice of responsible gambling operations is quite new, and it seems likely that the ideal cultural norms to support its success may be different than those of the industry's past. What may be most important to support the ongoing adoption of responsible gambling concepts into industry practices is the development of *safety*-oriented cultural style. This style has a forward-looking focus on the potential harms or risks from decision making and a broader need for caution. For example, a *safety*-oriented culture would see employees prioritize the following ideas in conjunction with their business decisions:

- What casino locations may create added harms, due to risk-factors in the surrounding community's population?
- How would a new advertising campaign contribute to gambling myths?
- What care and support do players need after enrolling in a self-exclusion program?
- What adaptations can be made to a new product launch to make them less appealing to individuals with gambling problems?

HOW MUCH DOES IT REALLY MATTER?

The link between the cultural environment and player outcomes extends beyond broad impacts on strategic alignment. Customer-related outcomes are closely related to employee orientation, and the quality of service delivered by employees will be closely connected to the degree to which they feel content and connected to the organization. This is largely determined by culture.

While there is only limited research studying the role of employee orientation in the context of the gambling industry, two separate studies found that casino employees who believe that their company/industry are socially responsible and have a well-oriented responsible gambling program, have better job satisfaction and a stronger commitment to the organization. Other studies have shown that customers' perceptions of a firm's responsible gambling program have an impact on desire and intention to gamble. There appear to be many reasons why focusing on culture is important to the success of the industry.

HOW TO START THE SHIFT?

Every organization is different, but there are four broad areas that should be considered as part of a transition process to change cultures:

- 1) Articulate the aspiration – If there is a specific cultural direction that the organization will pursue, leaders should be able to describe the current conditions, the new principles, and the reasons for the change in focus.
- 2) Select leaders that align with the intended culture – Managers selected through recruitment and promotion will have a disproportionate effect on the cultural direction and should be selected based on the firm’s intended path. If a safety and responsible gambling-oriented culture is the path for the firm, chosen leaders need to be invested in those ideas.
- 3) Make culture a focus of organizational conversations – Once leaders in the organization have demonstrated the new cultural direction, a communication cycle across and between levels of the organization will help to reinforce the new norms among individuals.
- 4) Change the environment to underscore the intended change – To further reinforce the direction of the organization, systems, physical environments, and processes should all be modified to support the responsible gambling orientation.

WHAT’S NEXT?

Heading into the 2020 New Horizons in Responsible Gambling Conference, there are many open questions about the role of organizational culture in responsible gambling. With your involvement, we hope to discuss these and other ideas to help to frame the future direction of the industry:

- Can organizations take the necessary steps alone, or do regulators need to set the tone for the industry?
- Are there unique cultural barriers in gambling organizations that cause resistance to reducing harms, or is this just another instance of the same management problems in a different setting?
- Are there typical organizational styles that describe gambling organizations, and do better responsible gambling-oriented organization have a different style?
- Does responsible gambling play a role in the service-profit chain? Does it enhance profitability?
- What culture shifting practices have worked for you, and what are the best practices in evolving to a more responsible gambling-oriented organization?
- How do cultural perspectives towards responsible gambling differ across roles, and how does this differentially affect engagement in related issues?
- Do corporate boards have enough responsible gambling expertise to provide governance guidance on related issues and goals?



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1 OVERVIEW OF THE ISSUE AND MOTIVATION FOR STUDYING CULTURE

The gaming industry is full of unique approaches to responsible gambling policy, strategy, and institutional structures. Although no two organizations have the same set of circumstances, many barriers to the advancement of responsible gambling appear to share common themes, such as failure to orient parts of the organization towards decisions that account for the long-term health of players. For leaders and policymakers that are attempting to improve the state of responsible gambling programs, these barriers may be intangible and not clearly related to strategy or expertise, but may confound operations, nonetheless.

“Future-proofing the industry will require an integration of responsible gambling objectives across all business decisions and practices. That integration may not be an entirely strategic or operational issue.”

What may be the critical barrier to significant improvements in the wellness of players in these environments is that the organizational cultures – which invisibly guide the practice and execution of responsible gambling programs – are misaligned with their goals. In the history of regulated gaming, harm reduction is a relatively new model for businesses, and organizational cultures that were developed under different environments may not be well oriented to support effective integration across company decisions and practices.

This is a potentially critical issue to public health outcomes. Executing strategies – responsible gambling or otherwise – in misaligned organizational cultures can be challenging, if not impossible. While many operators adopt responsible gambling initiatives in principle, the success of those programs and customer outcomes will depend on the ability of the business to successfully execute on the program goals, and this depends on alignment across the organization.

As the science behind responsible gambling continues to improve understanding about how to support player wellness, it is increasingly evident that many procedures to improve industry practices require close integration with regular business operations.

For example, reducing irrational thoughts about gambling appears to be important to maintaining healthy gambling practices [1], [2], but a typical responsible gambling intervention that targets this issue, like a positive play message accompanying products, only shows a limited ability to change beliefs [3]. What may be more effective is to have the organization’s product and marketing specialists consider how to inform and avoid misleading consumers throughout the development of any products or marketing materials.

Today, many harm reduction initiatives focus on responsible gambling tools and external stakeholder initiatives, but *future-proofing* the industry will likely require an integration of responsible gambling objectives across all business decisions and practices.

That integration may not be an entirely strategic or operational issue. A recent study by BCLC found that most employees in the organization understood the importance of responsible gambling and its relevance to their role (94%), but over a third (37%) agreed that BCLC should be doing more to support players and this value was ever higher with frontline employees. Claims about responsible gambling commitment can be high throughout an

organization but broader impacts fall short. While it is an open question why this may be the case, it may relate to one of the most important but elusive determinants of performance: organizational culture.

This briefing for the 2020 New Horizons in Responsible Gambling conference explores what we know about the impact of organizational culture on responsible gambling programs. It describes how an organization that has identified responsible gambling-related goals as part of its strategic direction may still fail to succeed, and the process by which this could impact the player experience. It then describes best practices from the management sciences of how to (re)build the gambling industry in order to minimize the potential for harms, and place the health and wellbeing of consumers as a priority that is deeply integrated into business decisions.

2 WHAT DO WE KNOW ABOUT ORGANIZATIONAL CULTURE?

Organizational culture is the intangible social dynamic within a firm that drives norms around individuals' attitudes and behaviors. It determines what ideas, strategies, and practices at the organization get supported or rejected. Along with strategy, organizational culture is described as one of the primary mechanisms available to leaders in orienting a company towards the right outcomes [4].

In both gambling and non-gambling companies, organizational strategies may focus on one sort of transformation (e.g. harm reduction), but if unaddressed, unspoken and elusive cultural norms can undermine those efforts through well worn patterns of activity. While it is described as a management concept in this briefing report, organizational culture ties closely to ideas emerging from social psychology, sociology, anthropology, and other areas of social science [5], [6]. Succinctly, it is described as an implicit and shared group phenomenon that is pervasive across an organization and endures across time [4].

One of the early attempts to describe this largely intangible idea was introduced by Edgar Schein, who describes organizational culture as a function of three elements: artifacts, values and assumptions [7].

- I. **Artifacts** are the remarkable products of the organization, including the tangible physical environment (e.g. office design or employee clothing) or verbal elements (e.g. office jokes or shorthand language).
- II. **Values** are the explicit rules and principles expressed by the organization (e.g. public statements of organizational values).
- III. **Assumptions** are the (typically) norms and assumptions around organizational behavior, which are often not conscious, but greatly impact group dynamics.

Regardless of the framework used to describe the phenomena, it's clear that culture transcends from the immediate physical environment, all the way to the subtle and unnoticed patterns of group behavior. Its ubiquity and importance may help explain why many organizations and jurisdictions have struggled to develop more impactful responsible gambling programs. While organizations may have a focus on responsible gambling within their corporate vision, mission, and/or strategy, cultures that were developed with other goals in mind (e.g. customer-entertainment, compliance-focus, or government revenue generation) may not easily support the adaptation needed to thoughtfully and creatively address a complex issue like gambling-related harms.

One early management researcher identified the importance of context to understanding organizational cultures [8]. They emphasized that companies are "a continuing system with a past, a present, and a future..." and that those organizations must "...take into account the history and the future of a system and relate them to the present." To

successfully *future-proof* the gambling industry, leaders must understand the role that intra- and inter-organizational cultures played in bringing the industry to this point. The cultures that must be developed to attain the intended goals around harm reduction may be very different from those of the past.

The importance of this cultural context is well-demonstrated in other industries. For example, when AccorHotels, Europe's largest hotelier with over 240,000 employees, began a digital transformation to address the growing threat of Airbnb, deputy CEO, Sven Boinet emphasized the challenges that their service-oriented company would have in adopting practices that were more closely aligned with the technology industry. He stated, "the biggest challenge is to transform middle management as they are the most resistant to change. People at AccorHotels need to change the way they think." [9]

'Cultural styles' ...can be helpful for framing and communicating an understanding of an organization's past, present, and future.

Research from Spencer Stuart and Harvard Business Review suggests that across all types of organizations and geographies, cultural norms can be defined across two broad dimensions [4]. The first is the extent to which interactions and decisions within the organization are independent or interdependent. Highly independent companies tend to value autonomy in decision making and promote competition among individuals. Interdependent cultures tend to view success as the achievements of the group. The second dimension is the organization's response to change. Some companies are better adapted to stability, emphasizing predictability and consistency, while others emphasize flexibility and adaptability.

The combination of these two dimensions, along with other more subtle elements, led to the development of archetypes by those researchers, which describe the way that organizations align along cultural boundaries. In a study of roughly 25,000 workers across different organization types and regions, they found support for eight categories. These 'cultural styles', described in Table 1 can be helpful for framing and communicating an understanding of an organization's past, present, and future.

Table 1 – Spencer Stuart Cultural Alignment Framework

Cultural Style	Description
Caring	Focused on trust and strong relationships between individuals. Leaders emphasize collaboration, teamwork, and positive interactions. E.g. Disney
Purpose	Focused on benevolence and altruism. Individuals are highly compassionate to one another and are united by a focus on positively contributing to good causes. E.g. Whole Foods Market
Learning	Focused on creativity, growth and exploration. Individuals are open-minded and innovative, and are connected by new ideas and curiosity. E.g. Tesla
Enjoyment	Focused on creating an environment for fun and excitement. Individuals tend to do what makes them happy, involving play and humor. E.g. Zappos
Results	Focused on achievement and outcomes. Individuals perform in a merit-based environment, where there is a desire for success and goal accomplishment. E.g. GSK
Authority	Focused on strength, confidence, and dominance. Individuals exist in a competitive environment, where employees attempt to gain personal advantages. E.g. Huawei
Safety	Focused on caution and planning. Individuals work in a highly predictable way, with an emphasis on potential risks from decision making. Leaders focus on planning ahead and anticipating change. E.g. Lloyd's of London
Order	Focused on highly methodical practices, where rules are closely followed. Individuals cooperate and leaders focus on shared requirements along with traditions. E.g. Securities Exchange Commission

The archetypes described in Table 1 will not perfectly describe any single organization. Most organizations' cultures will have a blend of all of these styles, and indeed, most organizations categorized by the researchers included a mix of the *Results* style combined with another. John Mackey, founder and CEO of Whole Foods Market, articulates the *Purpose* style well in combination with results: "I think one of the most misunderstood things about business in America is that people are either doing things for altruistic reasons or they are greedy and selfish—just after profit. That type of dichotomy portrays a false image of business... The whole idea is to do both." [10]

Understanding how your organization may need to transition its cultural style to support strategic initiatives may help accommodate broader reorientation around a culture of responsible gambling and harm reduction. For example, like much of the technology sector, an online gambling operator may have been most closely aligned with the *Learning* style, as it required many creative approaches to grow and sustain its business. However, this may have led to unforeseen gambling problems in their customer base, as harms from new innovations were not the focus of workers.

3 CULTURAL ISSUES & RESPONSIBLE GAMBLING

If culture is seemingly so important to employee orientation and, therein, strategic objectives in reducing gambling-related harms, why does there appear to be such a disconnect – at least testimonially – in the way that culture supports responsible gambling programs? Schein describes organizational culture as "a property of groups [that] can be thought of as the accumulated learning that [is] acquired during its history," and this 'history effect' may be critical to answering the misalignment question.

"What may be most important to support the improvement in responsible gambling practices is the development of Safety-oriented cultural style"

Compared to the gambling industry (or gambling itself), the idea of responsible gambling or positive play is quite new. In terms of cultural styles, the gambling industry has had different focuses over several decades that have driven the development of its cultural styles. For example, since regulation of the casino industry has historically been quite focused on eliminating potential connections to organized crime, there is a strong tradition of using highly methodical practices and rules. This led to what may be best described in many organizations as an *Order* style. That style's focus on rules and traditions is viewed to limit individualism, creativity, and prevent organizational agility. Those limitations may be closely connected to the challenges in integration of responsible gambling across organizational roles and decisions.

As mentioned previously, the online gaming industry may have a different but equally challenging cultural barrier. In online gaming firms, there is an obvious focus on innovation in products (e.g. fantasy sports, live dealer, fast-fold poker, in-play wagering, etc.) as a mechanism of competition, and this closely relates to a likely *Learning*-oriented style. However, a disadvantage of that style is a lack of focus on making any particular innovation a success. This may play out as the development of many responsible gambling tools, but an absence in ensuring that any single tool is maximally being used to help players to reduce harms. Indeed, the online gambling industry has been a leader in many responsible gambling innovations, including limit setting and risk-analytics, but the impact on player wellness is less clear to this point.

What may be most important to support the improvement in responsible gambling practices is the development of a *Safety*-oriented cultural style. This style has a forward-looking focus on the potential harms or risks from decision-making and a broader need for caution. Such an approach would support the wider integration of responsible gambling considerations into business decisions. For example, a *Safety*-oriented culture would see employees prioritize the following ideas in conjunction with their business decisions:

- What casino locations may create added harms, due to risk-factors in the surrounding community's population?
- How would a new advertising campaign contribute to gambling myths?
- What care and support do players need after enrolling in a self-exclusion program?
- What adaptations can be made to a new product launch to make them less appealing to individuals with gambling problems?

A British Columbia example provides useful context on risks from not adopting a more *Safety*-focused style [11]: In 2006, a BC Ferries vessel struck Gil Island, killing two passengers and damaging sensitive coastal marine areas. In the ensuing inquiries, what was revealed was that while BC Ferries management were strategically committed to safety, it was not practiced consistently in the company. A dysfunctional relationship between BC Ferries and its union was revealed to be negatively impacting safety. BC Ferries' culture was viewed as captive to defensive thinking by workers, who often saw the issue as a nuisance that took time away from other work. It was only after the tragic accident that BC Ferries began working collaboratively with the BC Ferry and Marine Workers Union to address the issue. Today, their SailSafe program is in its sustainment phase, a final stage in the integration of safety into the company's culture and the daily activity of all employees, marking a significant shift in the way that safety is prioritized at BC Ferries.

3.1 PROSPECTIVE ISSUES ACROSS LEVELS OF THE ORGANIZATION

In addition to broad cultural issues, there may be important differences in perceptions and needs within the organization. While there are few studies that focus on differences within gambling organizations, one study of MGM Resorts employees found that employees with less contact with players were more likely to perceive their responsible gambling programs to be effective [12]. Similarly, employees at BCLC who interacted with customers were more likely to believe that the organization should be doing more to support players [13]. If these experiences are consistent with those at other companies, it may be the case that the individuals most capable of driving organizational change – company leaders – are those with the least strongly held convictions for doing so. There is a need for further study to better understand these prospective issues.

Managers face many similar issues as senior leaders. They must consider longer-term and structural issues that can create conflicts, but they have the additional burden of facing issues related to role conflict. Across all industries, middle managers often need to balance a power dynamic as both a leader and a follower [14]. Further, depending on the nature of their role, their incentive structure may have little relation to responsible gambling goals, instead focusing on aspects of their role more directly tied to their job descriptions (marketing, operations, IT, etc.). Of course, similar incentive problems may also impact senior leadership if their boards do not provide more explicit guidelines around responsible gambling related goals.

At the frontlines, specialists and service workers interacting with players may face the most significant challenges around role conflict and ambiguity. They may have to balance short-run obligations to revenue generation or service standards against supporting reduced play by customers. They may perceive little motivation to engage players in responsible gambling related issues, due to its potential to lead to stressful conversations, and they may have a

limited understanding of organizational goals around responsible gambling or how their role contributes to those goals [15].

In the still-emerging field of responsible gambling management, how to answer each of these prospective issues remains an open question. But there is an opportunity to share experiences and pursue more detailed case studies about what procedures have been effective.

3.2 CROSS-CULTURAL DIFFERENCES IN JURISDICTIONS

Despite the general focus of this report being one of organizational practices and norms, much of the necessary context for culture exists outside of firms. Cultural norms across jurisdictions, nations, or other geographies, can have a meaningful impact on the behaviors and attitudes of individuals involved in these processes. In fact, there is evidence that work units whose cultures are more closely aligned with national cultures tend to outperform others that do not align [16].

There are many ways to dissect cultural differences, but one widely studied factor that is particularly relevant for considering differences in responsible gambling programs is the degree to which the culture is individualistic versus collectivistic. Individualistic societies are those where the ties between individuals tend to be loose – members of the society are expected to only take care of themselves and their immediate family – and those societies tend to focus on a right to privacy and expressing one’s opinions. Collectivistic societies emphasize the importance of harmony between members and belonging [17]. Broadly, individualism tends to be more present in industrialized Western countries, while collectivism is more present in less developed and Eastern countries.

In part, regional cultural orientations contribute to gambling policy decisions through the level of paternalism or autonomy. This is most notably observed in the degree to which gambling is allowed at all as a legal activity. In large Western countries, such as Australia, Great Britain, or the United States, gambling is pervasive in many forms and modes of accessibility. This is also visible in the design of responsible gambling programs. Individualistic societies may be more apt to promote responsible gambling programs that provide individuals with greater information (e.g. responsible gambling awareness marketing) and choice (e.g. self-exclusion programs).

In Eastern countries, such as China, Japan, or Korea, gambling is much more closely controlled. In these more collectivistic societies, we may observe responsible gambling-oriented policies that are restrictive of access altogether, such as strong geographic controls (e.g. China’s restriction of casinos to Macau), local access restriction (e.g. Singapore casino entry fees or Korean bans on resident access to Seoul Capital Area casinos), or delayed development (e.g. Japan’s only recent introduction of casino expansion legislation).

There is evidence that organizational styles are largely determined by overall industry norms [19], so regulators and other policymakers have an important role to play in driving culture at firms. In some cases, this orientation shifts with changes in popular opinions. For example, during much of the 2000s, Great Britain’s Gambling Commission largely focused on creating a competitive marketplace for online gambling operators, and focused less on creating an industry-wide culture to reduce gambling harms. Through a mixture of communications, policies, and incentives led by the Commission, norms among operators appear to be evolving towards more *Safety*-oriented practices in the past few years. We will hear more about this shift from New Horizons keynote speaker, Tim Miller, Executive Director at the UK Gambling Commission.

More broadly, the nature of the regulatory model appears to be related to the rigor of responsible gambling program requirements, but perhaps only in some dimensions. While Britain is experiencing a shift as harms are placed under

a focusing lens, many U.S. states that have strong regulatory systems have tended to avoid any sort of integrated focus on gambling harms. For instance, while the Nevada Gaming Control Board is seen as a leader in many aspects of gambling regulation, few would characterize Nevada as culturally orientated towards reducing harms from gambling addiction.

Government-run organizations do, on the surface, appear to be more oriented towards a *Safety* cultural style. And while this may be due to the different objectives of government compared to industry (i.e. social welfare versus profit), it may also be a reflection of the underlying culture itself, which self-selects into this operational model. As a matter of comparison, players from Canada, where provincial government organizations conduct and manage gambling, tend to score much higher on the Positive Play Scale than players from the United States [18].

4 HOW CAN CULTURE IMPACT THE PLAYER EXPERIENCE: THE SERVICE PROFIT CHAIN

The link between the cultural environment and player outcomes extends beyond broad impacts on strategic alignment. Perhaps equally important are the links between employee orientation – which is largely driven by the compatibility between individual employees, their role/responsibilities, and the overall organizational culture (employee-role-culture fit [20]) – and customer-related outcomes. The nature and quality of service delivered by employees will be closely connected to the degree to which they feel content and connected to the organization.

A well-validated conceptual model that describes the links between these phenomena is the service profit chain [21]–[24]. The model describes three significant links in a chain connecting employee satisfaction to employee loyalty, and customer satisfaction to customer loyalty:

- I. **Internal quality and employee satisfaction** are closely connected. Providing a better workplace experience for employees will lead to greater job-related satisfaction. The service profit chain suggests employee satisfaction is driven by elements such as workplace and job design, selection and training, rewards and recognition, and information and communication. These factors are largely similar to the artifacts, values, and assumptions that Schein identifies as the core components of workplace cultures [7], implying that many of the concepts that drive organizational cultures will have an important effect on employee orientation.

Development of a culture that is well-oriented towards responsible gambling may be particularly important. While there are few research studies examining this issue in the context of gambling-related firms, two separate studies found that casino employees who believe that their company/industry is socially responsible and has a well-oriented responsible gambling program, have better job satisfaction and a stronger commitment to the organization [25], [26]. A study of a Korean locals casino similarly found that responsible gambling programs have a positive effect on employees' organizational trust, job satisfaction, and customer orientation [27]. Across the broader category of corporate social responsibility – which includes philanthropy, business practices, and product-related characteristics – there is a large body of research demonstrating that perceived commitment to these issues will have an important effect on employee orientation and satisfaction [28]–[30].

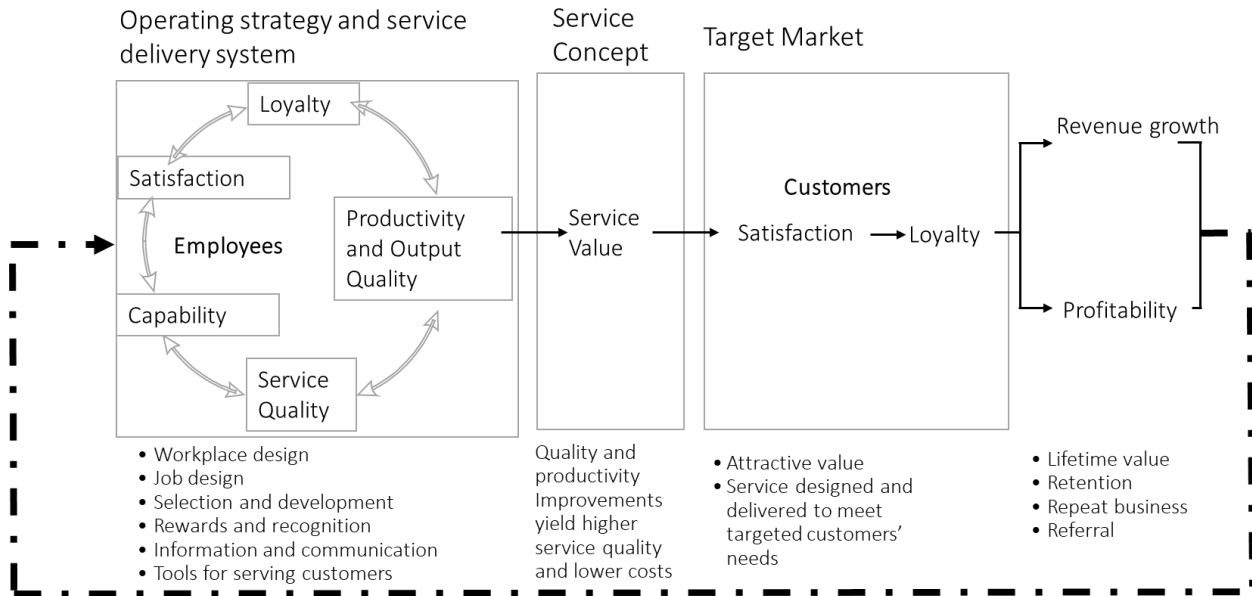


Figure 1 – The service value chain. Internal quality and employee satisfaction are linked to many of the concepts that drive organizational cultures, and have a downstream impact on the player experience, including loyalty and profitability. Adapted from Lovelock et al. [31].

- II. **Employee satisfaction leads to loyalty, productivity, and output.** Highly satisfied employees are more loyal and, within the service sector, deliver a better product to customers [26]. The link between employee satisfaction and employee engagement is well established across many areas of business and is the basis for organizational programs directed at employees that range widely from non-wage benefits to dog-friendly workspaces. What may be less well known in this context is the importance of culture in driving that satisfaction. In a study across 230 companies in a range of industries [4], employee engagement and customer orientation was found to be closely related to their *Enjoyment, Learning, Purpose, and Caring* organizational culture styles.

Safety issues can be addressed while simultaneously maintaining a focus on employee engagement and related factors. For example, WestJet Airlines, whose culture might most closely resemble the *Caring* style, has low turnover, high employee satisfaction, and regularly receives awards as one of Canada's top employers [32]. These outcomes are achieved despite operating in the highly regulated air transport industry, which is intently focused on passenger safety. Altogether, this has led WestJet to becoming one of the most profitable airlines in North America.

While there is only limited evidence of organizations' responsible gambling commitments and related outcomes, one study using employees from an East Coast United States casino found that cultural norms supporting an ethical climate contributed positively to implementation of responsible gambling practices by employees, as well as overall job satisfaction [33]. Relatedly, a study of casino managers found that responsible gambling was related to lower turnover intention [34] and another study found similar effects of social responsibility programs more generally [35]. This connects to evidence regarding the impact of responsible gambling training [36], which showed that training programs have a positive impact on engagement and likelihood of approaching customers about related issues.

- III. **Value created by employees drives customer loyalty, profitability, and growth.** The final segment in the service profit chain describes the link between employees that are highly motivated and engaged in all aspects of their work, the value they create, and the ensuing impact on customer loyalty and profits. Within the service sector, this final link in the service profit chain recognizes that customers prefer to patronize, and continue to patronize, businesses where employees deliver value directly, often through emotional connections with employees [21], [22], [37]. Due in large part to the role that service plays in the customer's experience, the casino gaming industry has been the focus of many studies connecting service quality to customer loyalty [24], [38]–[41]. Players' evaluations of customer service-quality is closely implicated in propensity-to-switch consumption habits and overall player retention [37], [42], [43].

Again, research focused on responsible gambling is more limited, but is still revealing. Broader studies show customers want to gamble with companies that have more socially responsible brands [44]–[46], and some limited research has related that effect to responsible gambling programs in particular [47]. Other studies have shown that perceptions of a firm's responsible gambling program have an impact on desire and intention to gamble [47]–[49], and early research findings on positive play show that positive players are also more satisfied with their gambling experiences [18]. This is perhaps intuitive, as responsibly gambling players are less likely to be impacted by negative gambling experiences.

What should now become the focus of individuals studying the industry is determining the actual components of responsible gambling programs that are most important to customers. This focus includes actual outcomes, but also includes the value perceived by customers, which will further determine engagement.

5 WHAT CAN WE DO TO CHANGE OUR CULTURE?

While changing cultures is often discussed in organizations, it can be a notoriously challenging task. As Howard Schultz, founder and former Chairman at Starbucks, once noted about the importance of culture to their sustained competitive advantage: "Since we have no patent... the business model is replicable by competitors ... [but] the company's culture is being shaped by the people in the stores because they care about the future of the company. A competitor would have to start from scratch in order to shape a company culture that has its roots among front-line employees" [50].

While starting from scratch is generally not an option for most leaders, there are broad mechanisms that appear in the literature that describe how to support the evolution of an organizational culture. Of course, these all depend on leadership recognizing and supporting the need for change, so they will only extend as far as that sphere of influence.

At a high level, the following levers should be closely considered by leaders acting on a path of cultural change [4]:

- 1) **Articulate the aspiration:** If there is a specific cultural direction that the organization will pursue, leaders should be able to describe the current conditions, the new principles, and the reasons for the change in focus.
- 2) **Select leaders that align with the intended culture:** Managers selected through recruitment and promotion will have a disproportionate effect on the cultural direction and should be selected based on the firm's intended path. While some turnover should be expected to follow cultural change, leaders unsupportive of the change can often be reoriented through training and emphasizing the links between cultural and strategic directions.

- 3) **Make culture a focus of organizational conversations:** Once leaders in the organization have demonstrated the new cultural direction, a communication cycle across and between levels of the organization will help to reinforce the new norms among individuals.
- 4) **Use artifacts to underscore the intended change:** To further reinforce the direction of the organization, systems, physical environments and processes should all be modified.

Although every organization is different and the specific transition needed to support a focus on gambling harms will be unique, these four broad categories generally describe the elements that must be considered throughout the transition process.

As a more specific checklist, Warrick describes ten tactics for building cultures that align with direction offered by other experts [51]:

- Make strategy and culture important leadership priorities
- Develop a clear understanding of the present culture
- Identify, communicate, educate, and engage employees in the cultural ideals
- Role model desired behaviors
- Recruit and develop for culture
- Align for consistency between strategy and culture
- Recognize and reward desired behaviors and practices
- Use symbols, ceremonies, socialization, and stories to reinforce culture
- Appoint a culture team
- Monitor and manage the culture

6 GAPS IN UNDERSTANDING AND QUESTIONS FOR CONSIDERATION

Across the broad field of management studies, and more specifically in gambling studies, it is evident that much about organizational culture remains unknown, and its practice is both art and science. While there is need for focused research in many areas, what is clear is that organizational culture sits alongside organizational strategy as one of the two most important levers by which leaders can orient their company towards reducing the harms experienced by gamblers.

Heading into the 2020 New Horizons in Responsible Gambling Conference, there are many open questions about the importance of organizational culture to responsible gambling. With your involvement, we hope to discuss these and other ideas to help frame the future direction of the industry:

- Can organizations take the necessary steps alone, or do regulators need to set the tone for the industry?
- Are there unique cultural barriers in gambling organizations that cause resistance to reducing harms, or is this just another instance of the same management problems in a different setting?
- Are there typical organizational styles that describe gambling organizations, and do better responsible gambling-oriented organization have a different style?
- Does responsible gambling play a role in the service-profit chain? Does it enhance profitability?
- What culture shifting practices have worked for you, and what are the best practices in evolving to a more responsible gambling-oriented organization?
- How do cultural perspectives towards responsible gambling differ across roles, and how does this differentially affect engagement in related issues?
- Do corporate boards have enough responsible gambling expertise to provide governance guidance on related issues and goals?

This paper was commissioned by BCLC for discussion at the New Horizons in Responsible Gambling Conference, March 10-12, 2020. Visit HorizonsRG.com for more information.

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