

Corporate Social Responsibility Combines with RG and Diversity and Gender-Equality in the workplace for a broader impact on Society



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Paul Jason:

As Chair of the WLA Corporate Social Responsibility Committee, CSR, how would you describe the mission of this committee?

Rebecca Hargrove: The membership of the WLA has always been a leader in CSR, especially when it comes to Responsible Gaming. My goal is to help build upon the success and the strength of the WLA Corporate Social Responsibility platform.

As WLA members, our goal is to produce great products that deliver great entertainment value to our players, grow revenues, and increase funds transferred to good causes. Additionally, mission-critical to the long-term sustainability of our business, and integral to our commitment to serve the best interests of society, is to set the highest standards of Responsible Gaming. That is why, I believe, the WLA created the Responsible Gaming Principles and a Responsible Gaming Framework and the certification process to help its members optimize their performance in RG. The RG certification process is unique in the entire games-of-chance industry. Doing the right thing for players and the broader community has made Corporate Social Responsibility, and specifically the Responsible Gaming Principles and Framework, a top priority for the WLA membership.

I am convinced that we are at a most opportune juncture, a time when a spotlight is being shone on the commitment of corporate entities to serve not only their own shareholders but to serve society as well. The meaning of "stakeholder" is being redefined to include everyone, not just those



who are directly impacted by and vested in the success of the enterprise.

Changing also is the vision for how Corporate Social Responsibility (CSR) can be the catalyst to drive positive change across a wide spectrum of activities, initiatives and societal concerns. CSR encompasses a broad range of initiatives to reinforce the vital position lotteries hold in our communities. One of my goals as chair of the CSR Committee is to help create a more integrated and holistic approach

toward this broader view of CSR. Since games-of-chance is the cornerstone to our business, Responsible Gaming will always occupy center-stage. But additionally, how can we contribute to the preservation of the environment and instilling a green workplace, to diversity and inclusion in the workplace, to community outreach, to fostering a vision for how CSR might engage a broad-base of commitment across all industry sectors? From partnering with schools and participating in food bank drives to setting business goals for minority business participation, lotteries can provide many benefits to the community in addition to the beneficiary programs they were created to fund.

Another part of this picture is leveraging our dedication to CSR into increased brand value. What can we do to engender more recognition from the general media for the standards of excellence set by government lotteries? How can we leverage our dedication to CSR and Good Causes to attract the socially conscious best and brightest young professionals to make a career of government sanctioned lotteries? There are lots of compelling reasons to put CSR at the forefront of our brand messaging!

You are also founder and chair of Women's Initiative in Lottery Leadership (WILL). That would seem to relate directly to the vision of a more impactful and broader view of CSR.

R. Hargrove: Of course. Our WILL ambition is to create a path for talented and passionate women professionals around the globe to realize their full potential. We are focusing on Mentorship as being key to accomplishing that goal. The initial

session to launch the Mentorship program was video-recorded a couple weeks ago and is posted on PublicGaming.com, in the “Women in Lottery Leadership” section.

To drill down on a previous discussion: You referred to an article in Harvard Business Review and research about that. Shed some light on the pathways to unlock the potential of women to drive peak enterprise performance.

R. Hargrove: This HBR article (May/June 2018) basically debunks a lot of mis-conceptions about the reasons for the lack of parity in pay between men and women in the workplace. Many people have speculated that there are differences between men and women when it comes to attitudes about work-life balance, family, confidence, and skillsets like negotiation and risk-assessment. There is now substantial research that indicates very little difference between men and women in all of these attributes, attitudes, and aptitudes. What does differ is the way women are treated on the job. Women typically have less access to vital information, fewer connections to informal communication channels, and get less feedback and guidance from supervisors. To that end, we are focusing on Mentorship training as an important part of that process.

Couldn't lotteries promote their dedication to CSR more explicitly in their brand and messaging?

R. Hargrove: There are a number of global examples of jurisdictions that do just that, and do it quite effectively. FDJ in France, Norse Tipping in Norway, Camelot in the UK, Lottomatica Italy, Singapore Pools, Magnum in Malaysia, Hong Kong Jockey Club, Loterie Suisse Romande, Loto Quebec and all the Canadian lotteries, the German lotteries, Veikkaus, Svenska Spel,

la Marocaine des Jeux & Sports, Tatts Lotteries - just to name a few (and probably overlooking some!). You can see in their press releases and messaging how they integrate into all of their marketing and media communications their commitment to CSR, to Good Causes, to RG. They have a systematic approach toward making sure these themes are a part of all their messaging and so it becomes an integral part of their brand. Frankly, we all know that this needs to be done, and we all try to do it the best that we can. Some just do it better than others!

Are there any solutions to stanching the growth of online re-sellers of lottery products?

R. Hargrove: Market-driven capitalist economies do not abide a void. Consumer demand will be met. Online re-sellers are just filling a need that is not otherwise being met. Since we are not going to stop the demand, we need to channel the demand over to legal, authorized operators. That really is fundamental to the mission of government lotteries: to channel demand for games-of-chance away from illegal offers. That's why the Lottery was re-introduced into the U.S. market in the 1960's (as a means of channelizing the demand for illegal 'numbers-games' away from street bookies) and that's why U.S. sports franchises are more open to legalizing sports-betting now that the underground market has grown to be well over \$150 billion a year. The solution as regards to illegal or unlicensed online sellers of lottery products, or even the bet-on-the-outcome-of-lotto “Secondary Lottery” model, is for us to figure out how to meet the demand so the consumer is not pushed over to those unlicensed operators. The solution will involve a global effort with all government lotteries working together to

create an option for players to buy lottery products online where that channel is not legally prohibited to Lotteries.

You have always been focused on the future, leading the charge to innovate, whether it is re-shaping the strategies to drive sales of Instant Scratch-offs or inventing a new national game called Mega Millions. Is there a trade-off between preservation of stability and the drive to change and innovate?

R. Hargrove: You don't survive 33 years in this business without embracing the future with a willingness to change. I'd like to think that my years of experience enable me to see around a few corners. And I would say that a knowledge of history can guide us towards the actions most likely to produce the best outcomes, or at least inform the problem-solving process. Sometimes it seems like “change agents” do not understand that, or do not appreciate that lottery CEO's have a responsibility to preserve the brand and asset value of multi-billion dollar businesses. But as was quite aptly stated in a presentation at the EL/WLA Marketing Seminar in January, “The world has never moved as fast as it does today, and will never again move as slowly as it is today.” The markets, the manner and methods of distributing products, retailing, regulatory frameworks, consumer tastes, preferences, and behavior – these are all undergoing massive change. It is a tremendously exciting time for those of us who do embrace change and innovation. And our industry has the brand value, the retail network, the track record of resilience and resourcefulness that drives innovation and decades of non-stop growth, the support of dedicated trade associations, and the most popular product by far in the whole games-of-chance industry.

I don't think there is a trade-off between preserving the rule of law and stable regulatory structures, building on our strengths in product development and distribution, and inventing exciting new products, opening up new channels of distribution, and forging new ways to enhance the player experience. As an industry, we have always done all the above. We know we need to move faster than ever, but we are embracing the challenge and will continue to achieve ambitious goals. I believe the next golden era of the Lottery industry is starting to unfold right before our eyes and one of the keys to our future is to build a tightly networked global community that stands united in our mission to serve society and *Good Causes*. 

