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Changing the odds: a study of corporate  
social principles and practices in  
addressing problem gambling

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## **ABSTRACT**

This paper documents a quantitative study into socially responsible principles and practices adopted in registered clubs in New South Wales Australia to manage one of their social impacts – problem gambling. The survey utilised an adapted version of Aupperle’s (1982) corporate social responsibility instrument to measure the priority given to economic, legal, ethical and discretionary principles in club machine gambling operations. The survey also assessed support for certain management practices in responsible gambling. The results indicate that the participating club managers prioritise economic, legal, ethical and discretionary principles respectively, and that these are statistically related to practices they have implemented and support in responsible gambling. The managers most favoured secondary harm minimisation practices, followed by reactive primary intervention. Less favoured were proactive primary intervention and discretionary practices. These principles and practices contrast markedly with those advocated by key stakeholder groups, as expressed in semi-structured interviews and submissions to the *NSW Gaming Inquiry*. Non-industry stakeholders favoured a more balanced set of principles and a more holistic set of management practices in responsible gambling. The results also provide validation of Aupperle’s (1982) instrument when applied to corporate management of a single social impact and for Carroll’s (1979, 1991) construct of corporate social responsibility.

## **KEY WORDS**

Corporate social responsibility – NSW clubs - problem gambling – responsible provision of gambling

## **ABBREVIATIONS**

AIGR	Australian Institute for Gambling Research
CMAA	Club Managers’ Association Australia
DGR	Department of Gaming and Racing (NSW)
NSW	New South Wales
PMCA	Poker Machine Council of Australia
RCA	Registered Clubs Association of NSW
US	United States of America



# CHANGING THE ODDS: A STUDY OF CORPORATE SOCIAL PRINCIPLES AND PRACTICES IN ADDRESSING PROBLEM GAMBLING

## INTRODUCTION

There is little doubt that legalised commercial gambling is now ‘big business’ in many countries, providing a range of economic benefits such as increased government revenue, regional economic development and job creation. However, it is equally recognised that gambling has a range of negative social impacts, with problem gambling arguably attracting the most vocal concern. A significant business issue now facing many gambling providers is growing pressure from a range of stakeholders to adopt more ethical practices in their gambling operations to prevent or minimise problem gambling and its harmful effects. However, gambling providers generally have been resistant to such pressure, perceiving that adopting more ethical practices may threaten their financial performance. That is, improving the corporate social performance of gambling providers appears at odds with sustaining their economic performance. Yet, if gambling providers are to be considered socially responsible organisations, such a tradeoff may be necessary.

This paper documents a study into corporate social principles and practices relating to responsible provision of gambling in the registered clubs industry in New South Wales (NSW) Australia and compares these to the expectations of selected key stakeholders. In addition to providing empirical data on how well the participating clubs are addressing one of their social impacts, problem gambling, in light of stakeholder expectations, the study demonstrates the use of Aupperle’s (1982) corporate social responsibility instrument in examining the management of one social issue. This contrasts with its prior use in assessing overall levels of corporate social responsibility. The study also assesses whether the corporate social principles measured by Aupperle’s (1982) instrument are related to management practices in responsible provision of gambling in the participating clubs, thus testing the accuracy of existing models of corporate social performance that depict corporate social principles and practices as related constructs (Zenisek, 1979; Wartick and Cochran, 1985; Wood, 1991).

Some background on the NSW registered clubs industry and its role in gambling provision is firstly presented, before the research aims are specified. The methodology is then explained

and the results presented and discussed. The paper concludes by outlining how the study can inform future research into corporate social responsibility.

## **GAMBLING PROVISION BY THE NSW REGISTERED CLUBS INDUSTRY**

The Australian state of NSW reportedly has more gaming machines per head of adult population than any other jurisdiction worldwide (Kelly, 1996a:7). With 99,672 gaming machines operating in its registered clubs, hotels and one casino by 1999 (Productivity Commission, 1999b:13.4), NSW contributes disproportionately to the global status of Australia as ‘the second largest national market for gaming machines’ after the United States (US) (Kelly, 1996:4,43). NSW registered clubs operate 40 percent of all gaming machines in Australia, 74 percent of gaming machines in NSW, and attract some 92 percent of NSW gaming machine turnover and gross profit outside the casino (NSW Department of Gaming and Racing [DGR], 1998; Productivity Commission, 1999:13.5). Indeed, with 74,206 machines operating in 1999, NSW registered clubs held an 8.2 percent share of the estimated 905,354 ‘high intensity’ gaming machines worldwide (Productivity Commission, 1999:2.11, 13.5, N.22).<sup>1</sup>

The proliferation of gaming machines in Australia, as well as other forms of gambling, has resulted from the country’s comparatively liberal gambling policies (Productivity Commission, 1999:2.1). These policies in turn reflect a culture where gambling largely has been considered an acceptable leisure activity, a distinguishing cultural feature, and a source of national pride (McMillen and Eadington, 1986:167), being romanticised in popular literature (for example, Hardy, 1950, 1958) and documented in academic studies (for example, Ward, 1958; Caldwell, 1974; Horne, 1975; Inglis, 1985; O’Hara, 1988). Further, the key role of Australian state governments in determining the types of legalised gambling means their distinctive gambling policies have produced a unique mix of gambling operators.

One type of gambling operator peculiar to Australia is its registered clubs. These are community-based, not-for-profit organisations established for social purposes, features that have been instrumental for NSW clubs in gaining and maintaining dominance over machine gambling at both state and national levels. Fostered by increasingly expansionist government policies, lack of serious competition and societal attitudes tolerating the introduction and growth of machine gambling, NSW registered clubs have maintained this dominance for over forty years since 1956 when they gained exclusive rights to operate gaming machines in NSW. Since then, there has been phenomenal growth in both the numbers of machines and clubs licensed to operate them. Some four decades after 5,596 gaming machines initially were legalised in the 952 NSW registered clubs which operated in 1956, 74,206 machines in 1,433 clubs generated an annual turnover of over \$24 billion, contributed more than \$480 million per year in state taxes and provided club gross profits of around \$2.4 billion by 1997-

98 (DGR, 1998:20-21; Productivity Commission, 1999:13.5-13.6).

Registered clubs are now a major social outlet for NSW residents and their rapid development clearly has been linked with gaming machine revenue (Registered Clubs Association of NSW [RCA]. 1994:3). Contemporary NSW clubs range in size from those with over 50,000 members, a vast array of facilities and services and over 1,000 gaming machines, to many smaller clubs with only a few hundred members and more modest, restricted facilities. Despite their diversity, all NSW clubs share the common characteristics of being voluntary, not-for-profit organisations established by people sharing a common interest to pursue or promote that interest (RCA, 1999:3). For the majority of clubs, this common interest encompasses sport, returned services affiliation, social and community interests, workers' and professional interests, or ethnic or religious affiliations. Each of a club's members buys a share or membership in the club, thereby contributing to a common fund for the benefit of members (McDonald, 1980:1). Other club revenue is derived from sales of alcohol and meals, sporting fees, betting and keno commissions. However, club gaming machines, known more commonly in NSW as poker machines, earned about 60 percent of collective NSW club income in 1997-98 (Productivity Commission, 1999:21.1). Clearly, machine gambling is now fundamental to the economic performance of the clubs.

In tandem with its economic impacts, legalised commercial gambling has a range of social impacts, particularly when operated on the scale evident in the NSW club industry. However, contemporary discourse on the social impacts of gambling is dominated by concern for problem gambling. In Australia, problem gambling has been defined as 'the situation when a person's gambling activity gives rise to harm to the individual player, and/or to his or her family, and may extend into the community' (Australian Institute for Gambling Research [AIGR], 1997:2). This definition emphasises harm arising from heavy gambling as the distinguishing characteristic between those enjoying gambling as a leisure activity and those whose gambling has harmful impacts on themselves or those around them (AIGR, 1997:99). These impacts have been recognised as encompassing intrapersonal, interpersonal, vocational, financial and legal domains (Dickerson, 1993; AIGR, 1997), and in NSW have been estimated to cost about \$50 million annually in measurable employment, legal, financial, personal and welfare costs (AIGR, 1996:66, 1998:vi).<sup>2</sup> While no industry-wide figures are available on the incidence or costs of problem gambling arising from machine gambling in NSW registered clubs, there is growing recognition that machine gambling

contributes disproportionately to problem gambling in Australia (Keys Young, 1995; Dickerson, 1996; AIGR, 1997; Productivity Commission, 1999:6.1). Thus, as dominant providers of machine gambling on both a state and national basis, NSW clubs appear to have a social responsibility to acknowledge and attempt to manage the potentially harmful effects of their core product.

When this study was conducted (1998), there was no legal obligation for NSW clubs to adopt management practices to address problem gambling, apart from legislation outlawing underage and credit betting. However, problem gambling had emerged during the 1990s as a significant social issue, fuelled by an exponential expansion of gambling, the increasingly aggressive marketing strategies of gambling providers, growing evidence of gambling's harmful effects and the limited attempts by governments and gambling providers to ameliorate these. A resulting climate of 'moral panic' (McMillen, 1997:251) and 'rising level of concern...(and) heightened community anxiety' (Brown, 1997:13) about the social effects of gambling in Australia reflected a public perception that the economic benefits of gambling were being pursued with minimal regard for its social fallout.

Thus, by the end of the 1990s, pressure for more responsible provision of gambling presented NSW clubs with a considerable dilemma. Numerous stakeholders were pressuring gambling operators to adopt more ethical practices, yet to do so potentially threatened their economic performance. This problem was particularly acute for NSW clubs, given their dominant role in machine gambling and their not-for-profit status. Jeavons (1994:186) argues that, by virtue of the character and function of not-for-profit organisations, expectations for their ethical behaviour are greater than for profit-based firms, strengthening their implicit social contract and public expectations that they will honour moral and humanitarian values and avoid self-serving actions. Further, the clubs' not-for-profit status exacerbates problems of stakeholder relationships. In the absence of clear performance indicators such as profitability, numerous authors have advocated the central role of stakeholders in evaluating the effectiveness of not-for-profit organisations and the importance of balancing stakeholder demands (Taylor and Sumariwalla, 1993; Murray and Tassie, 1994; Drucker, 1990). Thus, stakeholder expectations appear one appropriate benchmark against which to assess the social performance of NSW clubs in their machine gambling operations. This study was therefore conducted to determine whether the socially responsible principles and practices adopted by

NSW clubs in addressing problem gambling met the expectations of their key stakeholders at that time.

## **RESEARCH AIMS**

Specifically, the study aimed to:

- examine the priority given by NSW club managers to economic, legal, ethical and discretionary principles in their machine gambling operations;
- examine the club managers' support for certain industry-level responsible gambling strategies;
- examine the club managers' support for certain venue-level responsible gambling strategies;
- assess the congruence between principles and practices adopted in machine gambling operations by NSW clubs to address problem gambling and those expected by key stakeholders.

A mail questionnaire survey of managers of all NSW registered clubs with gaming machines collected data to address the first three research aims. Data to address the fourth aim were collected through semi-structured interviews with selected stakeholders in mid-1998, supplemented where relevant with their submissions to the *NSW Gaming Inquiry* (Independent Pricing and Regulatory Tribunal, 1998).<sup>3</sup>

## **INSTRUMENT DEVELOPMENT FOR THE MAIL SURVEY OF CLUB MANAGERS**

A survey instrument was developed to collect data pertinent to the first three research aims. Aupperle's (1982) corporate social responsibility instrument, adapted to apply to machine gambling in NSW clubs, collected data for the first aim. Addressing the second and third aims required devising appropriate questions to identify support by the club managers for certain responsible gambling strategies at industry and venue levels.

### **Aupperle's (1982) Corporate Social Responsibility Instrument**

Aupperle's (1982) instrument is based on Carroll's (1979, 1991) construct of corporate social responsibility, which proposes that the obligations businesses have to society can be

categorised into economic, legal, ethical and discretionary components, as shown in Figure 1. The proportional value associated with each component defines the corporate social responsibility of an organisation at any point in time (Aupperle, 1982:55), with Carroll (1979:499) suggesting these values might approximate the proportions shown. This construct appeared relevant to NSW clubs, having the potential to capture the economic and social trade-offs seemingly inherent in responsible provision of gambling.

INSERT FIGURE 1 ABOUT HERE

Aupperle developed an instrument to test whether the four components in Figure 1 exist and to assess the social responsibility of some major US corporations. It is a forced-choice scale containing 15 sets of four statements. The four statements in each set correspond with the four domains in Carroll's (1979, 1991) model. Respondents are asked to distribute up to ten points amongst items within each set of four statements to reflect the relative importance they attach to each statement in the set. Calculating the mean score for all statements corresponding to each domain determines the relative importance of economic, legal, ethical and discretionary corporate responsibilities to the respondents.

Many strengths of Aupperle's (1982) instrument can be identified. Social desirability bias is reduced through the forced-choice format. Instrument validity was maximised by using statements from prior research relating to each of the four domains, and blind judges to assess validity. Instrument reliability was tested in two samples - 159 students and 241 corporate executives. The four categories demonstrated adequate internal consistency, further verified in subsequent studies (O'Neill, Saunders and McCarthy, 1989; Pinkston, 1991; Ibrahim and Angelidis, 1993, 1995). Nevertheless, a weaknesses of the instrument may be the relatively vague nature of the statements.

### **Adapting Aupperle's (1982) Instrument to Examine Responsible Provision of Gambling**

Aupperle's (1982) instrument was slightly adjusted for this study. First, the opening statements to all item sets were adjusted to clarify that they referred a club's gaming machine operations, rather than a club's entire operations. For example, the statement 'it is important

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to...' was changed to 'in my club's poker machine gaming operations, it is important to...'. Second, five items were considered culturally inappropriate as they appeared to have little relevance for NSW club managers or contained potentially unfamiliar terms. The former were replaced with more general but corresponding statements contained in other sets of statements in Aupperle's (1982) instrument, while more familiar terminology was used for the latter. These original and revised statements are listed in Table 1. The revised Aupperle instrument was included as questions 38 to 52 of the survey questionnaire (Appendix A).<sup>4</sup>

INSERT TABLE 1 ABOUT HERE

### **Identifying Support for Industry and Venue Level Responsible Gambling Strategies**

In the absence of a set of acknowledged practices in responsible provision of gambling, core elements of existing responsible gambling models were reviewed to identify possible management practices. Models adopted in the US (American Gaming Association, 1996, 1998), in the Australian jurisdictions of Victoria (Victorian Gaming Machine Industry, 1996), South Australia (Licensed Clubs Association of South Australia and the Australian Hotels Association South Australia, 1996) and the Australian Capital Territory (Australian Capital Territory Government, 1997), and in Star City Casino (1998) in Sydney NSW, were drawn upon to identify strategies currently in use. Consistent with these models, the questionnaire focused on two types of strategies - industry-level and venue-level. All questions used a closed response format to facilitate responses and data analysis, and to contain the questionnaire's length.

At the industry level (questions 6 to 10), respondents were asked whether they thought the NSW club industry should implement industry-wide guidelines, a self-regulating code of conduct, and training programs relating to responsible provision of gambling, whether these should be developed individually by each gambling sector or cooperatively amongst all sectors, who should be involved in their development, who should fund their development, and if their club would be likely to adopt them. Respondents also were asked whether the NSW club industry should encourage an industry accord amongst gambling sectors to review

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initiatives on responsible gambling and liaise with key community groups, and an independent disputes resolution body to deal with machine-related disputes or unethical practices.

At the venue level (questions 11 to 37), strategies identified from existing responsible gambling models were listed as 27 items requiring respondents to tick one of three boxes indicating whether they thought their club already implements it, would implement it if endorsed by the NSW club industry, or would not implement it even if endorsed by the NSW club industry.

### **Questions on Club Characteristics**

A final set of questions (55 to 61) elicited data on club characteristics - location, type of club, numbers of financial members, social members, employees and gaming machines, and total club income and gaming machine profit from their most recent Annual Report. These data were considered potentially useful in identifying any patterns in the principles and practices of the clubs in addressing problem gambling, when cross-referenced with other data from the questionnaire.

### **Pilot Testing**

The questionnaire was pilot tested with the Executive of the Club Managers' Association Australia (CMAA), three club managers, and two academics with expertise in and familiarity with club gambling. Minor wording adjustments were made.

## **SURVEY ADMINISTRATION**

At the time of the survey, there were 1,433 NSW clubs with gaming machines (DGR, 1998). Because the vast majority (96.2%) belonged to the RCA and as the RCA's mailing list was available to the researcher, their 1,378 member clubs were treated as the survey population. This entire population was surveyed because the research sought to gather data from as wide a population base as possible and because 150 usable responses were necessary to ensure proper data analysis. This was because analysing Aupperle's (1982) instrument involves factor analysis which, to be statistically sound, requires a ratio of at least ten responses per item set. This put the least acceptable response rate at 10.9 percent.

Initial mailing in March 1998 yielded 186 responses, with one follow-up mailing in April 1998 yielding 61 responses. The 247 responses gave an overall response rate of 17.9 percent. However, not all respondents answered all questions, particularly the adapted Aupperle (1982) instrument where 213 usable responses were received. The number of usable responses to each question is shown in the relevant tables in this paper.

While the responding clubs were reasonably representative of the industry in terms of location, responses were skewed to leagues and returned services clubs, and those with large numbers of gaming machines and high gaming machine profits, as shown in Table 2. Conversely, bowls, golf, other sporting and other types of clubs, and those with less machines and lower machine profits were under-represented. This skewness is not surprising given the probable greater relevance of problem gambling and responsible provision of gambling to larger clubs with substantial machine installations, and their greater resources, such as staff and time, to devote to responding to the survey.

INSERT TABLE 2 ABOUT HERE

## **PRINCIPLES PRIORITISED BY NSW CLUBS IN MACHINE GAMBLING OPERATIONS**

This section addresses the first research aim, to examine the priority given by NSW club managers to economic, legal, ethical and discretionary principles in their machine gambling operations.

Results of the adapted Aupperle (1982) instrument are factor analysed to determine whether the four domains in Carroll's (1979, 1991) model of corporate social responsibility exist in the context of machine gambling in NSW registered clubs. The relative priority given by respondents to these four domains is then identified, providing an overall measurement of the importance placed on the various corporate social principles in machine gambling. Relationships between this priority and selected club characteristics are then tested.

### **Factor Analysis of the Adapted Aupperle (1982) Instrument**

N-factor principal components factor analysis produced nine factors with eigenvalues greater than 1.0. Since most factor loadings were very low, further parsimony was deemed necessary. A scree test helped eliminate inconsequential factors. The scree commenced with the fifth factor, indicating that four factors were most relevant for analysis. A four-factor principal components factor analysis with varimax rotation was performed with all four factors having significant loadings from the 60 statements. As shown in Table 3, these four factors explained 59.15% of the variance.

INSERT TABLE 3 ABOUT HERE

Table 4 shows the dominant factor loadings (in bold type) of the 60 statements on the four factors. 59 statements loaded on the expected factor. One item (in question 44) loaded on the ethical, not legal factor as expected. Apart from this, Carroll's (1979, 1991) four-part construct was empirically supported when applied to machine gambling operations in NSW clubs, and the scale displayed adequate internal consistency. Cronbach alphas were: economic = .9502; legal = .9343; ethical = .9454; discretionary = .9388, supporting the soundness of the instrument.

INSERT TABLE 4 ABOUT HERE

### **Relative Priority Given to Economic, Legal, Ethical and Discretionary Principles in Machine Gambling in the Clubs**

Table 5 shows the mean scores for the four domains of social responsibility. The relative weights given by respondents approximate Carroll's (1979, 1991) suggested weightings of 4:3:2:1 for economic, legal, ethical and discretionary principles respectively and demonstrate

that highest priority is given by the managers to economic, then legal, then ethical, and lastly discretionary principles in machine gambling operations in their clubs.

INSERT TABLE 5 ABOUT HERE

### **Variations in Corporate Social Responsibility Principles Amongst the Clubs**

Correlation matrices indicated whether importance placed on the four social responsibility principles varied amongst clubs with different characteristics. Correlation tests were restricted to club characteristics for which measurement variables were metric - number of financial members, number of social members, number of full-time equivalent employees, number of gaming machines, total club income, total assessed gaming machine profit, and gaming machine profit as a percentage of club income. No significant relationships existed at the  $p < .01$  level of significance, indicating that the club characteristics examined had no bearing on how their managers prioritised the four social responsibility principles. Therefore, the skewed nature of the survey responses did not appear to affect the representativeness of results presented in this section, although there may be other influential club characteristics not examined.

### **SUPPORT BY NSW CLUBS FOR INDUSTRY-LEVEL RESPONSIBLE GAMBLING STRATEGIES**

This section addresses the second research aim, to examine support amongst the club managers for certain industry-level strategies in responsible provision of gambling.

#### **Venue Guidelines**

Most respondents (88.0%) supported the development and implementation of venue guidelines in responsible provision of gambling, with 86.1% indicating their club would likely adopt them if developed for the NSW club industry. However, 4.1% thought their clubs would be unwilling to do so, while 9.8% were unsure. Of those that approved of venue guidelines, 80.6% considered such guidelines should be developed cooperatively amongst all gambling sectors, rather than individually (19.4%). According to responses on who should develop and fund venue guidelines (where multiple responses were possible), over half the managers thought this development should involve the RCA (90.0% of respondents), the CMAA (80.5%) and the DGR (78.0%). Less than half thought counselling/welfare bodies

(49.4%), the Poker Machine Council of Australia (PMCA) (41.9%), other gambling sectors (27.8%), concerned community groups (23.6%) and poker machine manufacturers (23.2%) should be involved. Over half the respondents thought the DGR (84.2%) and/or the RCA (57.7%) should fund such guidelines. However, less than half thought poker machine manufacturers (32.0%), the CMAA (29.0%), other gambling sectors (17.0%) counselling/welfare bodies (11.6%) and concerned community groups (0.1%) should contribute.

### **Self-Regulating Code of Practice**

88.0% of the club managers supported the development and implementation of a self-regulating code of practice in responsible provision of gambling, with 12.0% opposed. 84.0% indicated their club would likely adopt one if developed for the NSW club industry, 4.5% thought their club would not, while 11.5% indicated they were unsure. Of those who approved of a code of practice, 77.4% considered it should be developed cooperatively amongst all gambling sectors, rather than individually (22.6%). According to the responses (with multiple responses allowed), over half the managers thought this development should involve the RCA (90.4%), the CMAA (83.0%) and the DGR (70.5%). However, less than half thought the PMCA (39.0%), counselling/welfare bodies (32.0%), other gambling sectors (23.7%), concerned community groups (19.1%) and poker machine manufacturers (17.0%) should be involved. Over half the respondents thought the DGR (76.8%) and/or the RCA (62.9%) should fund the code. Less than half thought the CMAA (32.9%), poker machine manufacturers (24.9%), the PMCA (14.8%), counselling/welfare bodies (0.1%) and concerned community groups (0.1%) should contribute.

### **Management and Staff Training**

88.0% of respondents supported the development and implementation of training programs for club managers and staff in responsible gambling, with 12.0% in opposition. 80.3% indicated their club would probably adopt training programs if developed for the NSW club industry, 7.0% indicated their club would not, while 12.7% were unsure. Of those who approved of a training program, 67.4% considered it should be developed cooperatively amongst all gambling sectors, rather than individually (32.6%). According to the responses (with multiple responses allowed), over half the managers thought this development should involve the RCA (89.6%), the CMAA (85.5%) and the DGR (58.5%). However, less than

half the respondents thought that the PMCA (28.2%), counselling/welfare bodies (28.2%), other gambling sectors (17.4%), poker machine manufacturers (15.4%) and concerned community groups (11.2%) should be involved. Over half the respondents thought such training programs should be funded by the DGR (76.3%) and/or by the RCA (62.9%). However, less than half felt that the CMAA (40.8%), poker machine manufacturers (29.2%), the PMCA (14.6%), other gambling sectors (0.2%), counselling/welfare bodies (0.1%) and concerned community groups (0.1%) should contribute.

### **Industry Accord and Disputes Resolution Body**

A slightly lower majority of respondents supported developing an industry accord amongst various gambling sectors to develop and review responsible gambling initiatives and to liaise with community groups (79.8%), and an independent disputes resolution body to deal with disputes and unethical practices (64.8%). A minority (20.2% and 35.2% respectively) were opposed to these strategies.

### **Variations in Support for Industry-Level Strategies Amongst the Clubs**

Correlation matrices indicated whether the number of industry-level strategies supported varied amongst clubs with different characteristics. These tests were restricted to club characteristics with metric measurements. However, no significant relationships were identified at the  $p < .01$  level of significance, indicating that the club characteristics had no influence on how many industry-level strategies the responding clubs supported.

## **SUPPORT BY NSW CLUBS FOR VENUE-LEVEL RESPONSIBLE GAMBLING STRATEGIES**

This section addresses the third research aim, to examine support for certain venue-level strategies in responsible provision of gambling.

### **Summary of Support for Venue-Level Strategies**

Table 6 summarises the responsible gambling strategies implemented in the responding clubs. Only three are implemented by more than half the clubs. Amongst these three, payment of winnings by cheque may be motivated less by concern to minimise problem gambling, and more by security concerns for patrons and to protect the club against staff mistakes or machine malfunctions. The second most implemented strategy (player information about complaints or disputes) possibly reflects that most clubs display gaming

machine rules that contain this information. The third and fourth most widely implemented strategies (know where to refer patrons with gambling problems to for help and providing information on a telephone hotline service for problem gambling) probably reflect the introduction of a telephone hotline for problem gamblers (G-Line) by the NSW Government in 1997 and its distribution of related printed material to clubs. Thus, the strategies implemented most widely by the responding clubs represent those introduced for their own protection in machine gambling, and those endorsed and facilitated by the NSW Government.

The next group of strategies (5 to 13 in Table 6) generally reflect a passive approach to responsible management of gambling or strategies relatively easily implemented. The remaining strategies are those that might potentially threaten the commercial appeal or profitability of gaming machines or that require more proactive measures.

INSERT TABLE 6 ABOUT HERE

Table 7 shows strategies which responding club managers felt would be most resisted in their clubs. Again, strategies with the greatest opposition are those which would potentially threaten the appeal and profitability of gaming machines, which might undermine competitive advantage, or which would require more financial and other resources. Strategies meeting least resistance mainly represented a passive, informational approach to responsible provision of gambling.

INSERT TABLE 7 ABOUT HERE

### **Variations in Support for Venue-Level Strategies Amongst the Clubs**

Correlation matrices indicated whether the number of venue-level strategies the clubs already implemented, would implement and would not implement varied amongst clubs with different characteristics. As above, these tests were restricted to club characteristics with metric measurements. From Table 8, a positive relationship is evident between the number of venue-level strategies already implemented and the clubs' number of financial and social members, number of poker machines, total club income and assessed poker machine profits. No relationships were apparent between club characteristics and whether the clubs would implement venue-level strategies, although those with larger poker machine installations were less resistant. Given the skewness of the survey responses towards clubs with large gaming machine installations and high gaming machine profits, the survey responses are probably skewed towards more support for venue-level strategies in responsible conduct of gambling than if responses had been more representative.

INSERT TABLE 8 ABOUT HERE

### **STATISTICAL RELATIONSHIPS BETWEEN CORPORATE SOCIAL PRINCIPLES AND PRACTICES IN NSW CLUB MACHINE GAMBLING**

Correlation matrices indicated whether a relationship exists between Carroll's (1979, 1991) four corporate social principles and the number of industry-level and venue-level strategies supported by the clubs, as shown in Table 9.

INSERT TABLE 9 ABOUT HERE

Table 9 shows a significant, but weak relationship between corporate social principles and the number of industry-level strategies supported by the club managers surveyed. An inverse relationship exists between importance given to economic principles in machine gambling operations and the number of industry-level strategies supported. Conversely, there is a positive relationship between importance given to ethical and discretionary principles and the number of industry-level strategies supported. Importance given to legal principles had no influence on support for industry-level strategies.

High prioritisation of economic principles in machine gambling operations also is associated with less implementation of venue-level strategies and less willingness to implement them. A positive, although weak, relationship also exists between importance placed on ethical principles and the number of venue strategies already implemented. Conversely, there is an inverse relationship between importance given to ethical and discretionary principles in machine gambling operations and the number of venue strategies the clubs would not implement. Importance given to legal principles had no influence on support for venue-level strategies.

The significant correlations identified above provide general support for the relationship between corporate social principles and practices depicted in various models of corporate social performance, at least in the context of machine gambling in NSW clubs. For example, Zenisek's model (1979:399) depicts a relationship between 'ideological aspects' and 'operational aspects' of 'a business ethic'. He argued that ideological beliefs underlie operational behaviours and that incongruence between these two aspects results in a what Petit (1967) termed 'the moral crisis in management' (in Zenisek, 1979:362). Wartick and Cochran's model (1985) depicts a relationship between corporate social principles and corporate social policies, describing the former as an organisation's 'philosophical orientation' and the latter as its 'organisational orientation' (1985:767). Similarly, Wood (1991) depicted corporate social principles as the basic values that motivate actions associated with corporate social behaviour.

## **INTEGRATION OF THE FINDINGS ON RESPONSIBLE GAMBLING PRINCIPLES AND PRACTICES SUPPORTED BY NSW CLUBS**

Figure 2 integrates the findings of the club managers' survey. In terms of Carroll's (1979, 1991) corporate social principles, the figure shows economic responsibility as receiving most acceptance amongst the responding clubs, followed by legal, ethical and discretionary responsibilities, respectively. Because economic and legal practices were not investigated in detail in this study, the depiction of corporate social practices is restricted to ethical and discretionary domains.

INSERT FIGURE 2 ABOUT HERE

Within the ethical domain, the responsible gambling strategies investigated can be categorised into harm minimisation and consumer protection strategies. In harm minimisation, gambling operators can adopt secondary strategies involving early intervention to detect problems and facilitate access to tertiary interventions (treatment). Secondary harm minimisation strategies comprise signage and publications that provide possible indicators of problem gambling, and contact details of tertiary intervention agencies. These strategies can help people recognise a gambling problem in themselves or others and provide information on what to do if a problem is identified.

Once identified, primary interventions can minimise further harm. Reactive primary interventions in responsible gambling include self-exclusion which limits access to gambling, the purpose being to remove or reduce opportunities for the person to engage in the activities causing harm. However, as well as harm reduction after a problem is identified, primary interventions can play a proactive, preventative role. Related strategies include limiting access to cash for gambling by imposing a cooling-off period after large wins, restricting access to and limiting cash withdrawals from ATMs and EFTPOS, and imposing cheque cashing limits. The purpose is to limit opportunities for people to gamble beyond their means and to facilitate more rational decision-making by the gambler.

Ethical consumer protection strategies in responsible gambling include those which promote fair trading and protect consumer rights. Fair trading can be enhanced through providing written player information on how gambling operates, such as chances of winning and losing, payback percentages, and how different options affect bet size. The purpose is to ensure that dealings between gambling operators and gamblers occur within a transparent market environment. Consumer rights can be protected through preventing deceptive advertising through encouraging responsible and discouraging irresponsible advertising. The purpose is to avoid targeting vulnerable groups such as minors and intoxicated persons, and to avoid information asymmetry that presents gambling in deceptive ways that reduce gamblers' abilities to make rational decisions about their gambling.

Within the discretionary domain, strategies in responsible gambling include in-kind and financial support for measures to address problem gambling. In-kind support aims to build closer links between gambling operators and the welfare sector to build awareness and

understanding of problem gambling, break down barriers, facilitate referrals, ease data collection and allow more informed responsible gambling strategies at the venue level. Financial support includes financial donations to counselling services for problem gambling and related research

The survey results show that, within the ethical domain, secondary harm minimisation practices received most support, followed by reactive then proactive primary harm minimisation strategies, then consumer protection strategies relating to product information and advertising, respectively. Discretionary practices in addressing problem gambling received lowest priority, particularly those involving a financial commitment.

## **CONGRUENCE BETWEEN RESPONSIBLE GAMBLING PRINCIPLES AND PRACTICES ADOPTED BY NSW CLUBS AND EXPECTED BY KEY STAKEHOLDERS**

This section addresses the fourth research aim, to assess the congruence between principles and practices adopted in machine gambling operations by NSW clubs to address problem gambling and those expected by key stakeholders.

### **Stakeholder Expectations of Principles and Practices in Responsible Provision of Gambling**

Table 10 summarises the data sources used to gather opinions of key stakeholders, while Table 11 summarises the principles and practices they advocated to address problem gambling at the industry and venue levels.

INSERT TABLES 10 & 11 ABOUT HERE

As Table 11 shows, key pressure groups, the epistemic community, and the NSW Government advocated the greatest range of socially responsible principles in gambling, supporting adherence to Carroll's (1979, 1991) economic, legal, ethical and discretionary domains. Gambling operators were agreeable to a range of economic, ethical and discretionary principles, although they were largely resistant to further legal obligations. Principles advocated by the employee union and the peak gaming machine manufacturers' association were more limited, perhaps reflecting the narrow constituencies they represent.

Key pressure groups and the epistemic community advocated the greatest range of socially responsible practices in gambling. In contrast to government and industry stakeholders, the epistemic community and key pressure groups advocated an holistic approach to addressing problem gambling, one that places responsibility for addressing the issue on the government, gambling operators and machine manufacturers. The NSW Government advocated the next broadest range of practices, being generally supportive of most initiatives that shifted responsibility for addressing problem gambling onto gambling operators. Practices advocated by gambling operators were more limited. They generally favoured a passive approach to addressing problem gambling, one that relies largely on secondary harm minimisation strategies, self-regulation, and discretionary measures. Responsible gambling practices advocated by the employee union and the gaming machine manufacturers' association appeared to go little beyond attempts to protect their narrow constituencies, rather than a concerted effort to address problem gambling.

### **Comparison Between the Club and Stakeholder Perspectives**

Limited congruence is apparent between the principles and practices adopted in machine gambling operations by NSW clubs to address problem gambling and those expected by key stakeholders. Key differences are summarised below.

- In terms of socially responsible principles, the NSW club managers placed highest priority on economic, then legal, then ethical and lastly, discretionary, principles in their machine gambling operations, whereas key stakeholders, particularly non-industry groups, advocated attention to all of these.
- In terms of socially responsible policies, no industry policy had been implemented statewide to address problem gambling in NSW clubs at the time of the study although a minority of clubs had developed a related house policy. However, key stakeholders strongly advocated a uniform industry-wide policy funded principally by industry, that involves independent coordination, monitoring and enforcement, additional legislative requirements, an independent consumer complaints mechanism, and extensive community consultation. In contrast, the NSW club managers favoured a self-regulated, whole-of-industry policy funded principally by the DGR, involving no additional legislative or regulatory requirements, a self-administered consumer complaints mechanism and limited community consultation.
- In terms of socially responsible programs, few programs to address problem gambling

were apparent in NSW clubs, whereas key stakeholders were unanimous in supporting the introduction of such programs. The preferred nature of responsible gambling programs also differed between groups. The NSW club managers favoured one involving only secondary and reactive primary harm minimisation strategies. In contrast, key non-industry stakeholders advanced a more holistic program that includes strategies extending beyond those favoured by the club managers to also include proactive primary harm minimisation, consumer protection and fair trading strategies.

It can therefore be concluded that, if NSW clubs are to be considered socially responsible providers of gambling by their key constituencies, certain tradeoffs between economic and social principles are needed to underpin a more comprehensive set of responsible gambling strategies than implemented at the time of the study. The research results provide direction for the types of strategies that would better meet stakeholder expectations in responsible management of gambling by NSW clubs.

## **SOME DIRECTIONS FOR FUTURE RESEARCH INTO CORPORATE SOCIAL RESPONSIBILITY**

While this paper has focused on only one type of activity (gambling), one type of business (NSW clubs) and one type of social impact (problem gambling), some general points can be identified to inform future research into corporate social responsibility.

First, this study has assessed the applicability of certain corporate social performance constructs in not-for-profit organisations, using NSW clubs as a case study. Social responsibility in not-for-profit organisations largely has been unexplored, reflecting an implicit acceptance that such organisations are inherently more socially responsible than profit-based firms (Mahon and McGowan, 1991). Conceptual advances relating to the social performance of not-for-profit organisations have been limited. However, this study has demonstrated the utility of certain concepts drawn from the social performance literature on profit-oriented firms in explaining the social performance of not-for-profit NSW clubs.

This study also has demonstrated the utility of Carroll's (1979, 1991) model of corporate social responsibility and Aupperle's (1982) related instrument in identifying principles that underpin how organisations address one specific social impact. In contrast, previous applications of the model and instrument have focused on identifying principles that underpin

how organisations manage their social impacts in general. The study also has demonstrated the utility of Carroll's (1979, 1991) model in identifying socially responsible principles advanced by stakeholders external to an organisation for one specific organisational impact.

Further, the research results indicate that prioritisation of socially responsible principles amongst the respondents was related to management practices, highlighting the importance of assessing the relationship between socially responsible principles and practices in studies of corporate social performance. As noted earlier, various models of corporate social performance identify this relationship (Zenisek, 1979; Wartick and Cochran, 1985; Wood, 1991), yet in practice these two constructs may not always operate in tandem.

Finally, the study has shown the utility of comparing management practices to those expected by key constituencies to assess an organisation's social performance and to identify management practices that better meet stakeholder expectations. Thus, the study has shown that stakeholder expectations are one benchmark against which organisational social performance can be assessed and that they can provide direction for business managers in improving that performance.

## **CONCLUSION**

While limited by a low survey response rate and the efficacy of Aupperle's (1982) instrument in capturing a true picture of corporate social orientation, this paper has identified principles and practices adopted and prioritised by a major gambling industry to address problem gambling. Although limited to examining how effectively one type of organisation has managed one of its social impacts to the satisfaction of its key stakeholders, some general implications of the research findings have been identified to inform future studies into how businesses manage corporate social issues involving economic and ethical trade-offs.

## **APPENDIX A**

INSERT ABOUT HERE

## **ENDNOTES**

<sup>1</sup> While the Productivity Commission (1999:N.22) estimated there were 7,132,162 gaming machines worldwide, it considered that the ‘high intensity’ sector is the most appropriate benchmark for comparison of Australian style gaming machines with the world market. This grouping of gaming machines has comparatively high turnover, credits, play lines, speed of play and winnings, and poses potentially higher risks for problem gambling (Productivity Commission, 1999:2.11).

<sup>2</sup> However, this figure underestimates the true cost of problem gambling to the extent that it ignores many of the social costs of problem gambling that are not readily quantified. It also has been criticised on methodological grounds for underestimating the cost of problem gambling and for relying on hypothetical estimates (Lesieur, 1996:17-19).

<sup>3</sup> The *NSW Gaming Inquiry* (IPART, 1998) was announced in May 1998 to report to the NSW Parliament by 26 November 1998. As its Terms of Reference included investigating ‘(1) measures (both existing and potential) to foster a responsible gaming environment’ and ‘(2) co-ordination of the problem gaming policies of hotels, registered clubs and the casino and other providers of gaming’ (IPART, 1998:1), this inquiry was considered an additional opportunity to gather stakeholder opinions on measures to address problem gambling.

<sup>4</sup> Responses to questions 1 to 7 in the questionnaire are not discussed in this paper due to word length.

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**Table 1**  
**Original and Revised Statements in the Survey Instrument**

Original Statement	Revised Statement
assist the fine & performing arts	assist community & charitable projects
provide assistance to private & public educational institutions	provide assistance to community & charitable institutions
support, assist, & work with minority-owned businesses	support, assist, & work with community & charitable institutions
provide employment opportunities to the hard-core unemployed	provide employment opportunities to the long-term unemployed
'whistle blowing' not be discouraged at any corporate level	ethical & moral responsibilities be fulfilled

**Table 2**  
**Comparison of Selected Characteristics of All NSW Clubs and Clubs Responding**  
**to the Mail Survey**  
**N = 247**

	All NSW Clubs <sup>a</sup> %	Responding Clubs %
<hr/>		
Location of club		
Sydney	41.7	44.1
Regional	58.3	55.1
<hr/>		
Type of club		
Bowls	31.9	12.6
Golf	15.1	6.9
Leagues	3.5	13.4
Other sporting	13.6	9.3
Returned services	14.3	37.2
Other	21.5	17.8
<hr/>		
No. of gaming machines		
1 - 20	49.8	6.9
21 - 40	20.0	10.5
41 - 60	10.0	13.4
61 - 80	5.0	8.1
81 - 100	3.8	12.1
101 - 150	4.4	14.6
151 - 200	3.3	14.6
201 - 300	2.2	8.1
> 300	1.6	7.7
<hr/>		
Assessed gaming machine profit		
< \$200,000	37.1	3.6
\$200,001 - \$500,000	20.0	7.3
\$500,001 - \$1,000,000	12.6	8.5
\$1,000,001 - \$2,000,000	11.5	16.2
\$2,000,001 - \$2,500,000	3.0	6.5
\$2,500,001 - \$5,000,000	7.7	13.7
\$5,000,001 - \$10,000,000	5.0	14.8
\$10,000,001 - \$20,000,000	2.2	6.8
> \$20,000,000	0.9	4.8

<sup>a</sup> Data sourced from the DGR (1998) and the RCA (pers. comm).  
Note: columns do not always total 100% due to rounding and missing data.

**Table 3**  
**Eigenvalues and Variances from the Four-Factor Factor Analysis of the Adapted**  
**Aupperle (1982) Instrument**  
**N = 213**

Factor	Eigenvalue	% of Variance	Cum. % of Variance
1	17.688	29.479	29.479
2	9.732	16.220	45.699
3	5.242	8.736	54.435
4	2.829	4.716	59.151

$\chi^2 = 13107.360$ ;  $df = 1770$ ;  $p \leq .000$

**Table 4**  
**Dominant Factor Loadings from the Four-Factor Factor Analysis of the Adapted**  
**Aupperle (1982) Instrument**  
**N = 213**

Qu. No	Abbreviated Statement	Raw Varimax Rotation Normalised Factor Loadings			
		Economic	Legal	Ethical	Discret- ionary
38	expectations of maximising earnings	<b>.759</b>	-.136	-.097	.029
39	committed to being as profitable as possible	<b>.876</b>	-.058	-.093	.015
40	maintain a strong competitive position	<b>.690</b>	.030	.055	-.059
41	long-term return on investment is maximised	<b>.784</b>	-.122	.123	.049
42	allocate resources to improve long-term profitability	<b>.598</b>	-.011	.038	-.059
43	ensure a high level of operating efficiency is maintained	<b>.725</b>	.253	-.036	-.071
44	pursue opportunities which will maximise earnings	<b>.796</b>	.193	-.190	-.152
45	successful operations be defined as consistently profitable	<b>.850</b>	.031	-.045	-.005
46	monitor new opportunities to enhance financial health	<b>.759</b>	.117	-.080	-.052
47	good corporate citizenship defined as profitable as possible	<b>.738</b>	-.030	.149	-.059
48	consistent profitability as a useful measure of performance	<b>.722</b>	.163	-.110	-.119
49	maintain a high level of operating efficiency	<b>.814</b>	.165	-.082	-.020
50	allocate organisational resources as efficiently as possible	<b>.567</b>	.101	.195	.077
51	best rate of return on investment	<b>.845</b>	-.044	-.099	.010
52	profit margins remain strong relative to competitors	<b>.882</b>	.042	-.090	-.127
38	perform consistent with expectations of government & law	-.053	<b>.763</b>	.067	.059
39	committed to abiding by laws & regulations	.028	<b>.783</b>	.144	.056
40	comply with various government regulations	.050	<b>.756</b>	.157	.109
41	legal responsibilities be seriously fulfilled	-.004	<b>.786</b>	.090	-.007
42	comply promptly with new laws & court rulings	-.011	<b>.722</b>	.139	.120
43	be a law-abiding corporate citizen	.001	<b>.562</b>	.382	.162
44	avoid discriminating against women & minority groups	.021	.345	<b>.463</b>	.326
45	successful operations fulfill their legal obligations	.028	<b>.837</b>	.218	.117
46	monitor new opportunities to enhance statutory compliance	.119	<b>.717</b>	.294	.183
47	good corporate citizenship = doing what the law expects	.073	<b>.801</b>	.051	.095
48	compliance with the law as a useful measure of performance	.071	<b>.615</b>	.255	.189
49	fulfill all corporate tax obligations	.123	<b>.648</b>	.136	.122
50	provide goods & services which meet legal requirements	.379	<b>.475</b>	.124	.024
51	comply with enacted laws, regulations & court rulings	.020	<b>.784</b>	.106	.155
52	contract & safety violations are not ignored	.175	<b>.604</b>	.253	.365
38	perform consistent with societal & ethical norms	-.144	.067	<b>.737</b>	.136
39	committed to moral & ethical behaviour	-.145	.172	<b>.790</b>	.223
40	recognise that the ends do not always justify the means	.144	.122	<b>.629</b>	.132
41	promises are not made which are not intended to be fulfilled	.152	.196	<b>.639</b>	.253
42	recognise & respect ethical/moral norms adopted by society	-.078	.085	<b>.643</b>	.426
43	advertise in an ethically fair & responsible manner	.241	.209	<b>.651</b>	.244
44	prevent social norms being compromised	.034	.179	<b>.686</b>	.231
45	success = fulfilling ethical & moral responsibilities	-.130	.177	<b>.701</b>	.363
46	new opportunities to enhance moral & ethical image	-.027	.167	<b>.632</b>	.436
47	Good corporate citizenship = meeting moral & ethical	.038	.190	<b>.662</b>	.259
48	norms, ethics & unwritten laws as measure of performance	-.045	.116	<b>.742</b>	.405
49	integrity & ethical behaviour beyond regulatory compliance	-.053	.094	<b>.743</b>	.165
50	avoid compromising social norms & ethics to achieve goals	-.067	.237	<b>.638</b>	.206
51	society's unwritten laws & codes as important as the written	-.144	.190	<b>.698</b>	.325
52	ethical & moral responsibilities be fulfilled	-.179	.344	<b>.637</b>	.223
38	perform to philanthropic & charitable expectations	-.119	.123	.278	<b>.602</b>
39	committed to voluntary & charitable activities	-.008	.086	.228	<b>.700</b>
40	assist community & charitable projects	-.109	.059	.215	<b>.739</b>
41	resources used for local voluntary & charitable activities	-.120	.138	.213	<b>.723</b>
42	opportunities & programs to improve community life	.079	.073	.387	<b>.700</b>
43	provide assistance to community & charitable institutions	-.018	.054	.120	<b>.776</b>
44	support community & charitable institutions	-.160	.234	.193	<b>.667</b>
45	success fulfills philanthropic & charitable responsibilities	.019	.097	.447	<b>.659</b>
46	opportunities to enhance ability to solve social problems	.005	.118	.537	<b>.589</b>
47	good corporate citizenship = assisting charities/community	.008	.127	.230	<b>.751</b>
48	view philanthropic behaviour as measure of performance	.087	.293	.121	<b>.606</b>
49	increase charitable & voluntary efforts over time	.001	.085	.291	<b>.811</b>

50	assist voluntarily projects to enhance quality of life	-.070	.133	.041	<b>.599</b>
51	opportunities to long-term unemployed	.020	.114	.379	<b>.472</b>
52	philanthropic & voluntary efforts expanded over time	-.001	.126	.352	<b>.737</b>

**Table 5**  
**Descriptive Statistics for Economic, Legal, Ethical and Discretionary Principles in**  
**Machine Gambling in the Clubs**  
**N = 213**

	Mean	Std Deviation	Std Error Mean	Minimum	Maximum
Economic principles	3.62	1.41	0.0954	1	10
Legal principles	2.82	0.80	0.0542	0	6
Ethical principles	1.73	0.75	0.0512	0	4
Discretionary principles	1.55	0.69	0.0474	0	4

**Table 6**  
**% of Clubs Already Implementing Selected Venue-Level Strategies in Responsible Provision of Gambling**

	Venue Strategy	%
1	Encourage big winners to take payment by cheque instead of cash	55.0
2	Provide player information about what to do if they have a poker machine related complaint/ dispute	53.9
3	Know where to refer patrons with gambling problems for help	52.5
4	Provide information on a telephone hotline service for problem gamblers	41.4
5	Provide signage for players about responsible practice of gaming	39.5
6	Ensure advertising & promotion of poker machine gaming is socially responsible	36.4
7	Encourage problem gamblers to self-bar themselves from poker machines	34.6
8	Provide player information about how to recognise if a machine has malfunctioned or short-paid them	32.5
9	Provide player information about what to do if they think they have a gambling problem	32.0
10	Provide player information about how payouts occur on poker machines	29.4
11	Prohibit cashing of patrons' cheques for cash to play poker machines	26.5
12	Ensure gaming staff can recognise signs of problem gambling	25.0
13	Have a house policy on responsible provision of gaming	23.5
14	Encourage a cooling off period before poker machine players collect big wins	22.7
15	Prohibit ATMs in poker machine areas	21.0
16	Restrict poker machine advertising to certain media, publications, times to prevent minors seeing it	16.8
17	Provide player information on how different features of poker machines influence bet size	16.5
18	Provide player information about recognising if they have a gambling problem	11.1
19	Provide player information on how poker machines work	9.5
20	Donate funds to gambling-related counselling/welfare services	7.6
21	Donate in-kind support for gambling-related counselling/welfare services	7.2
22	Donate in-kind support for research into problem gambling & its treatment	5.9
23	Prohibit obtaining cash to play poker machines from club EFTPOS facilities	5.5
24	Liaise closely with the welfare sector to minimise harm in gambling	5.4
25	Prevent any advertising or promotion of poker machine gaming	3.7
26	Donate funds for research into problem gambling & its treatment	1.7
27	Provide player information about budgeting money for playing poker machines	1.7

**Table 7**  
**% of Clubs Unwilling to Implement Selected Venue-Level Strategies in Responsible Provision of Gambling**

	Venue Strategy	%
1	Prohibit obtaining cash to play poker machines from club EFTPOS facilities	86.1
2	Prevent any advertising or promotion of poker machine gaming	82.6
3	Provide player information about budgeting money for playing poker machines	52.1
4	Prohibit cashing of patrons' cheques for cash to play poker machines	48.7
5	Prohibit ATMs in poker machine areas	44.4
6	Restrict poker machine advertising to certain media, publications, times to prevent minors seeing it	42.4
7	Donate funds for research into problem gambling & its treatment	41.5
8	Encourage a cooling off period before poker machine players collect big wins	40.9
9	Donate funds to gambling-related counselling/welfare services	34.7
10	Provide player information on how poker machines work	31.1
11	Donate in-kind support for research into problem gambling & its treatment	21.9
12	Provide player information on how different features of poker machines influence bet size	21.9
13	Donate in-kind support for gambling-related counselling/welfare services	20.0
14	Liaise closely with the welfare sector to minimise harm in gambling	19.0
15	Provide player information about how payouts occur on poker machines	18.5
16	Encourage problem gamblers to self-bar themselves from poker machines	14.6
17	Encourage big winners to take payment by cheque instead of cash	13.2
18	Provide player information about recognising if they have a gambling problem	12.8
19	Provide information on a telephone hotline service for problem gamblers	9.4
20	Provide player information about how to recognise if a machine has malfunctioned or short-paid them	7.9
21	Ensure advertising & promotion of poker machine gaming is socially responsible	7.0
22	Provide player information about what to do if they think they have a gambling problem	7.0
23	Ensure gaming staff can recognise signs of problem gambling	4.5
24	Know where to refer patrons with gambling problems for help	3.7
25	Provide signage for players about responsible practice of gaming	3.7
26	Have a house policy on responsible practice of gaming	3.3
27	Provide player information about what to do if they have a poker machine related complaint or dispute	2.5

**Table 8**  
**Correlation Matrix for No. of Venue-Level Strategies Supported and Selected Club Characteristics**  
**N = 247**

Principles	Already Implements		Would Implement		Would Not Implement	
	R(x, y)	p value <	R(x, y)	p value <	R(x, y)	p value <
No. of financial members	.128	<b>.048</b>	-.018	.784	-.123	.057
No. of social members	.169	<b>.024</b>	-.044	.558	-.141	.060
No. of full-time equivalent employees	.076	.250	.002	.974	-.065	.327
No. of poker machines	.184	<b>.004</b>	-.038	.556	-.133	<b>.040</b>
Total club income	.190	<b>.007</b>	-.064	.370	-.129	.069
Assessed poker machine profit	.137	<b>.050</b>	-.036	.614	-.096	.177
% of club income from poker machines	-.001	.993	.062	.388	-.063	.378

**Table 9**  
**Correlation Matrix for Economic, Legal, Ethical and Discretionary Principles and**  
**No. of Responsible Gambling Strategies Supported**  
**N = 213**

	Economic		Legal		Ethical		Discretionary	
	R(x, y)	p value <	R(x, y)	p value <	R(x, y)	p value <	R(x, y)	p value <
No. of industry strategies supported	-.164	<b>.017</b>	.026	.704	.151	<b>.029</b>	.158	<b>.023</b>
No. of venue strategies already implemented	-.220	<b>.001</b>	-.052	.451	.133	<b>.050</b>	.083	.237
No. of venue strategies would implement	-.135	<b>.049</b>	.066	.343	.049	.482	.078	.261
No. of venue strategies would not implement	.346	<b>.001</b>	-.001	.987	-.161	<b>.020</b>	-.152	<b>.028</b>

**Table 10**  
**Data Sources For Obtaining A Stakeholder Perspective on Principles and Practices**  
**in Addressing Problem Gambling in NSW Clubs**

Stakeholder Group	Interviews	Submissions to the NSW Gaming Inquiry
NSW Government <sup>a</sup>	NSW Department of Gaming & Racing	Liquor Administration Board
Gambling industry: gambling operators		Australian Hotels Association (NSW); BetSafe Group of Clubs; Club Managers' Association Australia & Leagues Clubs Association of NSW; NSW Lotteries; Registered Clubs Association of NSW; Star City Casino
Gambling industry: employees	Liquor, Hospitality & Miscellaneous Workers' Union	
Gambling industry: machine manufacturers		Australian Gaming Machine Manufacturers' Association
Epistemic community	Global Gaming Services	Australian Institute for Gambling Research (University of Western Sydney); Australian Medical Association (NSW) Ltd; University of Technology Sydney
Pressure groups: community service organisations	Council of Social Service of NSW; Forum of Non-Government Agencies; NSW Council on Problem Gambling; Ethnic Communities Council of NSW	Family Support Services Association of NSW; Gam-Anon Service Centre Australia; Gamblers Help Line; GAME Gambling Counselling Service of St Vincent de Paul; Local Community Services Association Inc.; Council of Social Service of NSW; NSW Council on Problem Gambling; Shoalhaven Neighbourhood Centre; Uniting Church in Australia; Wesley Gambling Counselling Service; Women and Gambling Project
Pressure groups: consumer protection agencies	Public Interest Advocacy Centre	Department of Fair Trading; Public Interest Advocacy Centre

<sup>a</sup> Views of the NSW Opposition also were sourced through published documents.

**Table 11**  
**Support for Responsible Provision of Gambling Principles and Practices Indicated by**  
**Key Stakeholders**

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**Figure 1**  
**Carroll's (1979) Corporate Social Responsibility Model**



Source: Carroll (1979:499).

**Figure 2**  
**Hierarchy of Acceptance and Support for Socially Responsible Principles and Practices in Machine Gambling Operations in the Participating Clubs**

