Corporate Social Responsibility & Gambling Industry: 
An Exploratory Study
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Corporate Social Responsibility (CSR) is one important response to the increasing levels of criticism that corporations experience. Despite the growing importance of CSR in accounting, financial management and management more generally, it remains a contentious term. Some studies have concentrated on CSR in specific industries – notably the oil (Coupland, 2005), banking (Coupland, 2006) and retailing (Islam and Deegan, 2008) industries; however, some contentious industries, for example, the gambling industry remain unexplored. The nature of the gambling industry seems to be a source of conflict that is potentially so important in CSR and may be more explicit and thereby clearer in this industry. Thus, the gambling industry may represent a special case in the CSR literature.

This current study attempts to investigate to what extent and how CSR is understood in the gambling industry and the implications this has for corporate posture and communications more generally. The study’s primary focus will be on Macao (China), where gambling is such a significant part of the economy. However, Macau will be compared with a range of other countries where issues of CSR and gambling are considered: notably Hong Kong, Australia, the UK, the US and South Africa. It is anticipated that the study will not only enhance knowledge and understanding of both CSR and gambling in a developing country but should be able to give us a broad overview of the gambling industry itself. The research is broadly framed by using ‘Dimensions of the sensemaking process’ (Basu and Palazzo, 2008).

This research employs two research methods: content analysis and interviews. First, a content analysis of corporate annual reports will provide an overview of the gambling industry. Second, semi-structured interviews with employees and representatives at different levels in various gambling companies in Macao will be undertaken.
Introduction

Corporate Social Responsibility (CSR) is one important response to the increasing levels of criticism that corporations experience. Despite the growing importance of CSR in management studies, (for example, accounting, finance and strategic management) and global phenomena (in developed and developing countries), it remains a contentious term. To what extent is – and can – CSR be embedded into corporate strategy? How well does a CSR posture contribute to the more pressing matters of sustainability? How well integrated is CSR with the organization's reporting and communication strategies? These remain contested but increasingly important issues.

In an attempt to ground these questions more precisely, studies have concentrated on CSR in specific industries – notably the oil (Coupland, 2005), banking (Coupland, 2005) and retailing industries (Islam and Deegan, 2008). There are, however, a range of more overtly contentious industries – such as armaments, tobacco, alcohol, and gambling - which remain unexplored. This seems to us an important omission in that it may well be that the sources of conflict that are potentially so important in CSR may be more explicit and thereby clearer in these industries. In particular, the gambling industry may represent a special case in the CSR literature.

The current study sets out to investigate the strategies and processes employed by the gambling industry in constructing and developing its corporate social responsibility disclosures and relationships. This current study attempts to investigate to what extent and how CSR is understood in the gambling industry and the implications this has for corporate posture and communications more generally. The study's primary focus will be on Macao (China) where gambling is such a significant part of the economy and the special relationship with Mainland China. However, the case of Macau will be actively compared with a range of other countries where issues of CSR and gambling are actively considered: notably Hong Kong, Australia, the UK, the US and South Africa. It is anticipated that the study will not only enhance knowledge and understanding of both CSR and gambling in an Asian country but should be able to give us a broad overview of the gambling industry itself.

The rest of the article is structured as follows. First, this section will show the literature review, including CSR, CSR and Culture, CSR and gambling and Responsible Gambling. Second, the research is broadly framed by using 'Dimensions of the sensemaking process' (Basu and Palazzo, 2008). Third, research methods are outlined. Fourth, the preliminary results of the study and findings are shown in this
section. Finally, conclusion is made at the end.

**Literature Review**

*Corporate Social Responsibility (CSR)*

CSR is a term that has been widely discussed and may have different definitions and concepts. Discussions of CSR date back to the work of Bowen (1953) in 1950s. The concept of CSR has been widely debated, resulting in a number of approaches to its definition, namely the shareholder approach (Friedman, 1970), the stakeholder approach (Freeman, 1984) and the societal approach (Van Marrenwik, 2003). The related concept of Corporate Social Performance was developed by Sethi (1975) and Carroll (1979; 1991) and further refined by Wood (1991). Corporate Social Responsibility also links this concept to corporate citizenship, business ethics and sustainability (Crane and Matten, 2007). Thus, CSR is an ‘essentially contested’ concept (Crane et al, 2003 cited by Birch and Moon, 2004:19).

**CSR and Culture**

Apart from concepts of CSR, CSR can be applied to management studies and in the global context. Despite there are many different meaning of CSR, CSR may manifest itself differently from country to country (Matten and Moon, 2004). There is no particular ‘CSR template’ for international corporations due to various cultures (Birch and Moon, 2004:19). It can be classified into two streams of CSR literature: developed countries, such as, the US, Europe and North America (Maignan and Ralston, 2002; Matten and Moon, 2004; Matten and Moon, 2008) and developing countries, such as Asia, Africa and Latin American (Crane and Moon, 2007). There has been little discussion of CSR in Asia (Moon and Shen, 2010).

Matten and Moon (2008) have developed a theoretical analysis of national business systems to analyze how and why CSR differs from country to country and suggest an explanation of ‘implicit’ or ‘explicit’ CSR. Welford (2004) conducted a comparative study of CSR between Europe and Asia and found out that Asian companies lag behind European countries with regard to CSR policies. In addition, Chapple and Moon (2005) undertook a study in seven Asian countries and the results show that the profile of their CSR is likely to reflect the country of operation rather than the country of origin. Wang and Juslin (2009) argue that the western CSR concept did not fit into the Chinese market with no respect to the Chinese reality and culture. They suggest a new definition of CSR called ‘the Chinese Harmony approach’.

\[1\] Draws on Confucianism (interpersonal harmony) and Taosim (harmony with nature) provide a better insight into CSR in the Chinese culture.
**CSR and Gambling**

Some studies have concentrated on CSR in specific industries – notably the oil (Coupland, 2005), banking (Coupland, 2006) and retailing (Islam and Deegan, 2008) industries; however, some contentious industries, for example, the gambling industry remain unexplored. Little previous research focused on CSR and the gambling industry (Hing, 2001, Jones, Hillier and Confort, 2009 and Lee and Parker, 2009). The first study failed to examine the complexities of business nature and oversimplify the issue of CSR. This second study reviewed the reports without a comparative study and the results are too descriptive. The third study made a comparison between casino and hotel industry, it still only looked at one country and lacked of a comparative study. Therefore, this study will fill the gap in the current literature to provide a comparative study of CSR in the gambling industry.

**Responsible Gambling**

Gambling can be regarded as a form of entertainment, leisure activity or recreation. However, stakeholders may put pressure on gambling operators to apply more ethical concerns, such as, “Responsible Gambling”2 initiatives, in order to avoid the social consequences of gambling and possible gambling problems (Hing, 2001; Hing and McMillen, 2002).

The purpose of “Responsible Gambling” is to minimize problem gambling through consumer protection mechanisms, including awareness, education, harm minimization techniques and treatment (Dickerson, 2003). Therefore, “Responsible gambling” can be viewed as a subset of corporate social performance, and is concerned with how corporations in the gambling industry manage their social impacts (Hing, 2003).

The legislation and voluntary codes of “Responsible Gambling” vary greatly from country to country and so there is no one established norm. “Responsible Gambling” initiatives have been introduced in certain western countries, such as Canada, the US, Australia, New Zealand and the UK, however, little previous research on responsible gambling in Asian countries.

However, the tropes of “Responsible Gambling” found in this framework focus on the individual level and on resolution. The emphasis is on gamblers’ responsibility to receive information, regulate their behaviors, and to make the right decision, thus limiting how long and how much they play (Reith, 2007). It lacks of a framework to

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2 “Responsible gambling” may be considered as ‘policies and practices designed to prevent and reduce potential harms associated with gambling; these policies and practices often incorporate a diverse range of interventions designed to promote consumer protection, community/consumer awareness and education, and access to efficacious treatment.’ Blaszczynski, et al. (2004:308)
include broader responsibility of government authorities, gambling operators, treatment centre and gamblers’ family.

**Theoretical framework**

Basu and Palazzo (2008) suggest that there are three common approaches to CSR inquiry in the academic literature: the stakeholder-driven, performance-driven and motivation-driven approaches. These three approaches have made significant contributions to CSR research. However, it might have been more helpful if the scholars had focused on how institutional factors trigger or shape CSR activities, rather than the content of CSR activities.

Hoffman and Bazerman (2006) suggest that disregarding institutional determinants can make it difficult to understand how managers make critical decision. Basu and Palazzo (2008) suggest that two institutional determinants: external institutional determinants and internal institutional determinants. First, some works have concentrated on how external institutional determinants influence organizations and their CSR activities (Greening and Gray, 1994 and Jones, 1999). Second, internal institutional determinants may provide an alternative and richer understanding of CSR, in particular of the mental frames and sensemaking process. Such a sensemaking analysis can be either at the individual manager level or at the organizational level (Basu and Palazzo, 2008).

From this viewpoint, CSR activities can be seen as resulting from organizationally embedded cognitive and linguistic process rather than from external demands (Basu and Palazzo, 2008). Thus, the mental models that underlie organizational sensemaking can affect the way the world is perceived within the organizations as well as critical decisions with respect to perceived external and internal demands (Basu and Palazzo, 2008:123).

Studying the mental models can guide organizational sensemaking to build up their relationships with stakeholders and the world at large (Basu and Palazzo, 2008). Pfeffer (2005:123) points out ‘What we do come from what and how we think’. It refers to the first research question, which concerns the extent to which CSR is understood in the gambling industry, and the second research question, which investigates how CSR is understood in the gambling industry. The mental models can provide a tentative framework which may help to identify a company’s intrinsic orientation to CSR activities. The model below is partly adapted from the one Basu and Palazzo (2008) describe in their ‘Dimensions of the sensemaking processes’. The
model is divided into three dimensions: cognitive, linguistic and conative. This model will then be further developed into a theoretical framework by the researcher.

Figure 1: The tentative framework

Research design
The research employs two distinct elements may be achieved: content analysis and interviews.

First, a preliminary content analysis will be undertaken of organizational documents, such as CSR reports published by gambling companies in the US, the UK, Australia, South Africa, Macao and Hong Kong. This first engagement will provide an overview of the extent to which companies in the gambling industry talk about responsibility and CSR in general and identify any patterns, characteristics or specificities in the gambling industry. This will provide an overview of the countries, the industry and the issues.

Second, these matters will examined in depth in the principal component of the research in the shape of a series of semi-structured interviews with employees and representative in different levels in various gambling companies in Macao. Macao’s unique position (in terms of the dominance of gambling, its relationship with Mainland China and the mix of domestic and foreign companies) offers a genuine opportunity to delve deeper still into how the relationship between gambling, the gambling industry and a complex society are understood and navigated.
Findings – Content Analysis

Table 1: Average Volume of CSR from 2007-2009 among 6 countries (Descriptive Statistics)

<table>
<thead>
<tr>
<th>Category</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>Mean</th>
<th>Max</th>
<th>Min</th>
<th>Median</th>
<th>No. Disclosing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total CSR</td>
<td>11.63</td>
<td>11.29</td>
<td>20.47</td>
<td>14.58</td>
<td>66.64</td>
<td>5.29</td>
<td>12.63</td>
<td>82 (100%)</td>
</tr>
<tr>
<td>Voluntary CSR</td>
<td>5.74</td>
<td>4.34</td>
<td>7.65</td>
<td>7.29</td>
<td>31.74</td>
<td>1.03</td>
<td>2.77</td>
<td>82 (100%)</td>
</tr>
<tr>
<td>Mandatory CSR</td>
<td>6.18</td>
<td>6.94</td>
<td>12.82</td>
<td>8.65</td>
<td>34.91</td>
<td>0.94</td>
<td>8.41</td>
<td>82 (100%)</td>
</tr>
<tr>
<td>Economic</td>
<td>0.10</td>
<td>0.17</td>
<td>0.19</td>
<td>0.15</td>
<td>0.49</td>
<td>0.01</td>
<td>0.08</td>
<td>37/82 (45%)</td>
</tr>
<tr>
<td>Environment</td>
<td>0.68</td>
<td>0.42</td>
<td>0.59</td>
<td>0.56</td>
<td>2.35</td>
<td>0.15</td>
<td>0.37</td>
<td>58/82 (71%)</td>
</tr>
<tr>
<td>Consumers</td>
<td>0.30</td>
<td>0.26</td>
<td>0.37</td>
<td>0.31</td>
<td>0.90</td>
<td>0.00</td>
<td>0.24</td>
<td>48/82 (59%)</td>
</tr>
<tr>
<td>Community</td>
<td>3.45</td>
<td>2.41</td>
<td>5.22</td>
<td>3.69</td>
<td>27.18</td>
<td>0.00</td>
<td>1.02</td>
<td>55/82 (65%)</td>
</tr>
<tr>
<td>Employees</td>
<td>3.89</td>
<td>3.30</td>
<td>3.58</td>
<td>3.59</td>
<td>7.97</td>
<td>0.87</td>
<td>3.34</td>
<td>81/82 (98%)</td>
</tr>
<tr>
<td>Directors</td>
<td>3.15</td>
<td>4.13</td>
<td>3.90</td>
<td>3.71</td>
<td>7.30</td>
<td>0.08</td>
<td>4.67</td>
<td>75/82 (75%)</td>
</tr>
<tr>
<td>Corporate Governance</td>
<td>0.20</td>
<td>0.37</td>
<td>0.56</td>
<td>0.38</td>
<td>1.10</td>
<td>0.00</td>
<td>0.35</td>
<td>75/82 (75%)</td>
</tr>
<tr>
<td>Others</td>
<td>0.28</td>
<td>0.25</td>
<td>0.60</td>
<td>0.36</td>
<td>2.27</td>
<td>0</td>
<td>0.30</td>
<td>47/82 (57%)</td>
</tr>
</tbody>
</table>

Note: The figures in % indicate the percentage of companies in the sample disclosing in the relevant category.

Overall volume of total corporate social disclosure (CSD)

In order to capture the disclosure of Corporate Social Responsibility in corporate annual reports, Corporate Social Disclosure (CSD) has been divided into eight categories. As can be seen in Table 1, the average volume of total CSD over the three year was 14.58 pages of the corporate annual reports. This total CSD relating to Directors disclosure was the highest with 3.71 pages. This also indicates a very low priority given to Economics (0.15 pages) and Consumers (0.31 pages).
In Figure 2, over the three year period, employee disclosure was the most popular category. Apart from mandatory disclosure requirements of directors and corporate governance, disclosure relating to environment disclosure (69%) and community disclosure (65%) were also widely practiced. Economic disclosure showed the lowest level of disclosure.
Figure 3: Comparison with six countries’ CSD practices

Figure 4: Comparison with six countries’ CSD practices (Excluding Hong Kong - Community)

Figure 4: Average Volume of Total CSD among 5 countries from 2007 to 2009 (Excluding HK - Community)
Figure 3 shows the average volume of disclosure in 8 categories among six countries, while Figure 4 presents the same data as Figure 3 (excluding the data from Hong Kong - community). Both figures show a very uneven distribution of 8 categories among 6 countries. Some categories will be highlighted and discussed in detail in the following section.

**Community**

With regard to ‘Community’ disclosure, Hong Kong had the highest volume of disclosure with a maximum of 17.4 pages between 2007 and 2009 (See Figure 3); however, this was due to the distorting information influence of only one sample in Hong Kong, this company being a non-profit making organization and thus unlike the profit-making companies which dominate the rest of sample. While other countries, such as the UK, Australia, South Africa and Macao, with ‘Community’ disclosure, appears to be relatively low on average 1.40 pages. It is worthwhile to note that the US had the smallest volume of disclosure. It suggests that the US samples were 10-K form which shows less information on ‘Community’ disclosure than the sampled annual reports.

**Employees**

In order to have a clear view of the average volume of disclosure, the ‘Community’ Disclosure in Hong Kong are exclude from the average volume of disclosure analysis. ‘Employees’ had the highest volume disclosure. ‘Employees’ disclosure can be divided into mandatory and voluntary disclosure. The mandatory disclosure related to human resources suggests that the gambling companies complied with minimal legislation in different countries. It is apparent that South Africa was the highest volume of ‘Employee’ disclosure and followed by the UK. The finding suggests that South Africa has various legislations to protect employees, such as The Occupational Health and Safety Act 1996, The Employment Equity Act, The Promotion of Equality and Prevention of Unfair Discrimination Act 2000. While the UK also has various Employee Acts and the Company Act 2006 to protect employees, such as Employee Data, Employee Pension, and Employee Share Ownership. The finding suggests that the average volume of ‘Employees’ disclosure in the US and Australia exhibited a similar trend to disclosure (around 3.01 pages). However, it reflects that there is a deficiency in compliance with regulatory requirement in ‘Employee’ disclosure in Macao and Hong Kong.
**Director**

In Figure 4, ‘Director’ disclosure is the second highest volume of disclosure in the eight categories. The UK, Australia, South Africa and Macao are similar with the average five pages of disclosure. These countries require mandatory disclosure in directors’ information, for example, directors’ emoluments, remuneration and short-term benefits, to have greater compliance than the US and Hong Kong regarding legislative requirement in directors’ information.

**Corporate Governance**

With regards to ‘Corporate Governance’ disclosure, the US, the UK and Australia are similar in that they indicate greater compliance than Hong Kong and Macao regarding legislative requirement in corporate governance (See Figure 4). However, corporate governance in South Africa shows an increasing trend from 2008 to 2009.

**Analysis of Reported Volumes of CSD according to countries**

Figure 5: Comparison of average volume of total, voluntary and mandatory CSD among 6 countries

In Figure 5, it is apparent that the average volume of total CSD varied from country to country. Hong Kong disclosed the most information on CSD on average. However, Hong Kong had the highest volume community disclosure levels in 2007, 2008 and 2009.

The total volume of CSD disclosure has been divided into total mandatory and voluntary CSD. The average volume of total mandatory CSD was 7.88 pages higher than the volume of total voluntary CSD with 3.19 pages among the US, the UK,
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Australia, Macao and South Africa. It is worth noting that the volume of total voluntary CSD was higher than the volume of total mandatory CSD in Hong Kong (See Figure 5). The finding suggests that the gambling business in Hong Kong is a non-profit organization which is different from those profit-making gambling companies in other countries.

Findings - Interview

Profile of the interviewees
There 29\(^3\) interviewees are employees at six gambling companies in Macao.

<table>
<thead>
<tr>
<th>Macao</th>
<th>Related CSR Department</th>
<th>Non-CSR Department</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A</td>
<td>1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Company B</td>
<td>1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Company C</td>
<td>2</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Company D</td>
<td>0</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Company E</td>
<td>1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Company F</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>23</td>
<td>29</td>
</tr>
</tbody>
</table>

Conceptions of Corporate Social Responsibility
Recognition of the concept of CSR appears to be high among employees in Macao the gambling industry. 24 out of 29 interviewees recognized this term. For the interviewees, the term, corporate social responsibility suggested that a company has a responsibility to more than shareholders. Responsibility to the local community, responsible gambling and employees were identified. There was limited reference to responsibilities to stakeholders, customers, environment, economic development and social fairness/social justices. While 5 out of 29 interviewees did not recognize this term and were unsure if their company operated CSR programs. Responsibility to employees’ benefits or welfares, responsible gambling, anti-money laundering and economic development were identified by this group of interviewees.

The importance of CSR in the gambling companies
Interviewees in the sample appeared to recognize the importance of CSR to a greater extent. The responses from the interviewees were to build up the company’s reputation, to respond to pressure from the competitors in the gambling industry and to educate employees and customers to have social responsibilities. It is worth noting

\(^3\) In terms of gender, 16 interviewees were female and 13 were male.
that some interviewees pointed out the cultural aspect of CSR, saying that western companies paid more attention in CSR than Chinese companies. The western companies have CSR departments in parent companies so that it is a corporate culture to develop CSR programs here, whereas Chinese companies tend to play a passive role in CSR and the Chinese community is more likely to take some time to accept the CSR concept.

**Rationales for engaging in CSR**

The rationales of engaging in CSR can mainly be divided into proactive self-interest and reactive self-interest. In addition, other rationales emerged from the data, such as, the influences of western culture and personal ethics. Proactive self-interest entailed the voluntary recognition of CSR by the gambling companies as long as this enhanced their economic interests, whereas the reactive self-interest was mainly driven by external pressures.

**Rationales for engaging in CSR - Proactive self-interest**

The proactive self-interest noted by the interviewees concentrated on three main areas: community, employees and economic development. First, the gambling companies are involved in sponsorships for NGOs and corporate donations for minorities, such as the elderly, the mentally-disabled and people in rehabilitation programmes, to influence the local community to maintain or enhance the reputation of the company in order to get social acceptance. Second, the proactive approach to employees was identified. These are building a good relationship with employees, educating particular socially-responsible behavior (Responsible Gambling), enhancing a sense of loyalty, providing training courses as enhancing performance and attracting potential employees to work in this industry. Third, economic development, such as increasing the stock market price and creating job opportunities to local residents were identified by two interviewees.

**Rationales for engaging in CSR - Reactive self-interested**

A reactive self-interested approach was driven significantly by external pressures, mainly political pressure and industry pressure rather than social pressure.

**Political Pressure**

According to six interviewees, the necessity of responding to the Macao’s legislation concerning Responsible Gambling was recognized to drive the gambling companies to be socially responsible. However, the government’s Responsible Gambling is a policy rather than a legal requirement, and it can thus be considered ‘soft law’. It
implies that by working in co-operation with the Macao government by complying ‘soft law’, the gambling companies can make a significant contribution to society and thus gain good credibility in the local community.

*Industry Pressure*
Six interviewees appeared to believe that the pressure from the gambling industry had an impact on the level of CSR, such as the CSR trend in the gambling industry and competitors of engaging CSR. Other reasons are some gambling companies are listed on the stock exchange. It is interesting to note that the data suggests that various pressure groups, such as NGOs, labour unions and environmental groups, appear to be relatively unimportant.

*Rationales for engaging in CSR – Others: Driven by culture*
Some interviewees pointed out that the CSR culture of a parent company was more likely to influence the subsidiary than local companies. Western companies were also perceived as having greater resources and time to be ‘actively’ involved in CSR activities because the western companies in the sample have a particular CSR Department or Public Relation Department to deal with CSR activities, whereas the local gambling companies did not have a specific department and so in the case of the CSR activities were organized by a team in the human resource department. In addition, one of the interviewees highlighted that the western company wants to develop deep ‘business roots’ in the local community so as to operate long term development in Macao. Another interviewee drew on the Chinese philosophy, Confusianism (interpersonal harmony) and suggests that human beings ‘do not do bad things’ in the business.

*Rationales for engaging in CSR – Others: Driven by personal ethics*
Three of the interviewees noted that concerns of the Chairman, Chief Executive and senior managers regarding the importance of CSR tended to play in directly implementing CSR. If the top management does not have CSR initiatives in place, other departments cannot operate CSR very easily.

*Obstacles to engaging in CSR*
In interviewing employees and representatives in the field, it is apparent that there are a number of major obstacles preventing the implementation of CSR practices in the gambling industry. Many of the issues are related to human resources.
Table 3: Major obstacles preventing the implementation of CSR practices

<table>
<thead>
<tr>
<th>No of Interviewees</th>
<th>Known Obstacles</th>
<th>Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/29</td>
<td>Do not know</td>
<td>They don’t know any obstacles because the implementations of CSR practices are related to operation and management level.</td>
</tr>
<tr>
<td>4/29</td>
<td>No</td>
<td>They can’t see any obstacles because the gambling companies generally have both financial resources and human resources.</td>
</tr>
<tr>
<td>22/29</td>
<td>Yes</td>
<td>They recognized the obstacles and mainly focus on human resources, particularly the front line employees and the employees in back office.</td>
</tr>
</tbody>
</table>

As can be seen in Table 3, there are 3 major groups of interviewees. The table highlights that 22 out of 29 interviewees related the apparent obstacles to engaging in CSR practices to human resources: the front-line employees and the employees in the back office.

First, particularly the working time of the front-line employees in the gambling industry is in work rota than the normal working time in the daytime. They would spend the time to go back home to sleep rather than participate CSR activities and some of the front-line employees may be unaware and even not be interested in CSR activities. One of the managers pointed out the education level of employees is very important. The front-line employees would care about the salary rather than CSR information.

Second, employees work in the back office found it difficult to encourage other employees to participate in CSR activities because employees might not be interested in CSR activities, not easy to do consistently, not easy to keep positive attitude to participate. Some of them pointed out that there was lack of communication in the company and lack of employees’ cooperation and support.

**Special challenge in the gambling industry**

According to the interviewees, the gambling industry in Macao faced a number of challenges, such as labour shortage, reliance on a single industry and low education level among employees.
First, 7 out of 29 interviewees pointed out that there is a serious labour shortage in Macao. Particularly, employees working in the front line recognized this challenge. The gambling companies tended to employ new immigrants from the US and Australia to work in senior management positions and tended to employ Malaysians, Singaporeans and Philippines to work in middle management positions. The local residents tended to work as cleaners, dealers and supervisors, but they rarely work in management positions of due to a lack of specialist knowledge related to management in the gambling industry.

Second, 5 out of 29 interviewees emphasized that the Macao government relied on the gambling industry alone and it could create a high level of competition in the gambling market. They suggest the gambling industry could also concentrate on non-gambling industries, such as hotelery, conventions and exhibitions to enhance the local economy.

Third, the gambling industry’s demand for human resources has been increased significantly over the past few years. A senior secondary education is the common requirement for work in the gambling industry. Three interviewees also pointed out that front-line employees are typically less well educated. It is suggested that the general quality of Macao’s existing human resources, excluding the imported labour, fails to meet the requirement triggered by the demand of the gambling industry. They also felt that the next generation will work in the gambling industry after their graduation, rather than pursue tertiary education. This implies that the next generation will have a distorted idea about the value of money and is likely to have a lower level of education than is the case nowadays, in Macao.

**Conclusion**

This study has examined CSR as communicated by the gambling industry both globally and regionally (Macao). The gambling industry presents a certain extent of CSR. Employee disclosure dominated with extensive coverage, but it was mostly driven by the mandatory disclosure in these countries. Apart from mandatory disclosure of directors and corporate governance, community disclosure is higher than environmental disclosure and this may be a reflection of the nature of business and corporate acceptance of social priorities in the community. However, this is most evident in relation to Responsible Gambling programmes for customers. Companies in the sample did not seem to be convinced that such issues were worth mentioning.
and tended to focus on educating employees, rather than customers, about responsible gambling.

The interview findings suggest that the gambling companies in Macao play an important role in the community. This is consistent with the content analysis findings that the mainstream of CSR also concentrated on social perspectives, such as the local community, responsible gambling and employees.

There is a realization of Responsible Gambling particularly in the gambling industry. The threat of Responsible Gambling policy in Macao could suggest a positive step in the gambling industry, but it is not clear how effective and efficient the gambling companies’ implementation of the Responsible Gambling policy has been. Responsible Gambling can be seen as a new concept for employees and the local community. The findings suggest that Responsible Gambling is not implemented well. There is a need for law enforcement, public education, gambling operators’ initiatives and consistent training among all employees in the future.

The research finds that there are a number of rationales for engaging in CSR, but there are some obstacles to engaging in CSR as well. Western gambling companies tend to implement CSR to a greater degree than Chinese companies. Since the western gambling companies mirror practice at home and thus bring in some of their traditions, their corporate culture has already engaged with CSR and that many of the frameworks are in place, which makes it easy for them to engage in CSR, whereas the local company may struggle to implement ‘Western’ CSR because they find themselves competing with other western companies. Even though ‘Western’ CSR is a new concept for them, the local company has contributed ‘Non-Western’ CSR or ‘Implicit’ CSR to the local community of Macao for more than 50 years.

While Macao is developing a gambling industry, a more proactive role for the government, the gambling industry and academics is envisaged. Both the government and the gambling industry need to support Responsible Gambling. Furthermore, this research has policy implications, suggesting an urgent need for improved legislation on responsible gaming and regulatory intervention in developing the gambling industry such as that in Macao.
Reference:


