

Getting it right – what does diversity mean for the gambling industry?

Sarah Harrison, CEO

**Diversity & Inclusion with Global Gaming Women
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Delighted to be here today at this extremely important event and to lend our support. Thanks so much to Bahar at Harris Hagan and to Patty from Global Gaming Women for bringing us all together. Pleased also to be joining the panel with Tracy Damestani, Per Eriksson, Helen Walton, Sarah Sculpher.

Global Gaming Women (GGW) really is a great initiative. A peer to peer network that aims to support, inspire and influence the development of women. Through education, events and mentoring women can work together to share knowledge, opportunities and to really reach their full potential in this sector, which is fast paced and competitive.

There are other initiatives in this space, Mickey Swindale and 'we all want to play' speaking at ICE , the All-In Diversity initiative being led by Kelly Kehn and Tina Thakor-Rankin (which is gathering data and gaining momentum) and probably others. Celebrate these initiatives - share and collaborate.

I'm going to talk today about our sector, about why we should do more to make it more diverse, this is the key thing from my perspective. Diversity in terms of age, gender, disability, sexuality, socio-economic background and so on – that is the principal issue I am committed to and interested in.

But as a woman, a female chief executive, a daughter of a successful small business woman, a mother of two teenage daughters, I will also talk about this from a particular perspective and experience of the importance of diversity.

Before I start, I'll say something I feel passionate about. The opportunities offered to promote diversity, for example to women via the GGW, are not about giving a 'leg up', a professional advantage, an 'in' to women at the expense of men. Very often such activities are dismissed as political correctness gone mad or preferential treatment for a group that is not barred or actively discriminated against.

And understanding this is key. Fundamentally it's not legal, at least certainly not in the UK, to discriminate against anyone on the basis of their sex, their race, even their age - any protected characteristic. And I am not suggesting that the lack of diversity we can see in the sector is due to the active, or indeed passive, prejudice of companies. Certainly not.

However, there remain barriers to employment and to success for certain groups. This is quite simply because there hasn't been, in the past, a level playing field. And as we know, it is not enough to just create a level playing field – because people are not the same, and the opportunities and activities that are accessible for some will not be available for others.

As such there is work to be done by the sector, and in many others (for example, energy), to understand the inequality gaps and to take the necessary steps to address existing disadvantages affecting how people participate in the work force, in the sector specially and in society more generally.

What is diversity?

This leads us perfectly to address exactly what diversity is. Essentially, for businesses and organisations like the Gambling Commission being diverse means recognising, valuing and taking account of people's different backgrounds, knowledge, skills and experiences. It is also about using those differences to create cohesion and an effective workforce.

Why is it important? Put quite simply it is the right thing to do. On some level, as functioning human beings we all instinctively understand that. Legislative developments worldwide over the last 50 years or so do reflect that conscious decision making. However, what is much more difficult is changing cultures and attitudes en mass – and this sector appears at least to be lagging behind.

It is also good for business. Organisations that prioritise diversity and inclusion gain a higher market share and have a competitive edge in accessing new markets. Those that don't embrace diversity get left behind - they are not as equipped as they could be to face emerging challenges and seize new opportunities. They are quite literally on the wrong side of history.

Let's examine the evidence - January McKinsey report 'Delivering on Diversity'. Survey across 1000 businesses in 12 countries which was a repeat of one done three years earlier. Businesses in top 25 per cent for ethnic diversity are 33 per cent more likely to see above average profits than those in bottom quartile. Those in top quartile on gender diversity are 21 per cent more likely to see above average profits. Those in bottom quartile on gender and ethnic diversity were 29 per cent more likely to see below average profits.

Let's look at some of the data in relation to women and gaming:

Women that gamble

44% of women have gambled in the last four weeks, 53 % men ([statistics on our website](#))
The most popular activities were the National lottery (46%); Scratch cards (23%) and lotteries more generally (15%) amongst all gamblers, men and women.

So women do gamble. They don't necessarily gamble in the same way as men, but they certainly could do and they will participate. So if you are not attracting women to your business then you need to think about why that is, because any idea that women are simply not interested in gambling is a not the case.

And just as we need to understand women that gamble in more detail, we also must ensure that we understand the needs of those women at risk of harm from gambling.

Gambling-related harm

Around 2.5 million people in Britain who are problem gamblers or at risk of problem gambling. Around 430,000 problem gamblers.

Additional 460,000 at moderate risk and 1,430,000 at low risk.

For these groups, gambling can be associated with higher levels of physical and mental illness, debt problems, relationship breakdown and, in some cases, criminality and substance misuse.

It can be difficult to attribute these negative effects solely or directly to gambling. But the association is too strong to ignore.

‘At risk’ rates are significantly higher among men. What does this tell us about the configuration of interventions, services and support? Is it entirely appropriate, do they take women’s needs and experiences into account?

It is also important to remember that there can be considerable negative effects experienced by the wider group of people around a gambler. The health and wellbeing of partners, children, and friends can all be negatively affected. Harm can also extend to employers, communities and the economy. I wonder if that impacts women disproportionately?

Gambling-related harm should be regarded as a public health issue, to be tackled in a comprehensive way alongside other public health issues like alcohol or drug misuse, or obesity.

A public health approach also needs to recognise that a successful strategy cannot focus solely on protecting and supporting the individual but also needs to address the wider context in which gambling occurs.

In this way we can fully take into account the impact on individuals specifically and on society more generally - and there will be differences between men and women. The distribution of resources for prevention and treatment must be based upon need, and to fully consider need we have to be inclusive.

Women and careers in the gambling industry

It will come as no surprise for me to tell you that this sector is very white and very male. The lack of women working in the sector, in senior roles or otherwise, is staggering.

There are various initiatives underway to benchmark progress, which is great - for instance the ‘All-In Diversity Project’ - but we are still a way off being able to see the true picture.

We have tried ourselves to better understand how this situation is playing out amongst our licensees....HIOs.

Of the Boards of Directors and Executive Teams of our largest operators, only 17% are women.

Of our PMLS - so the holders of key decision making positions across the industry - some 77% are male.

And to add context, of the female employees in those companies they are far more likely to be in the fields of retail, HR and administrative roles.

This is no surprise, it's still disappointing but it's no surprise to any of us. What is probably going to come as a surprise to some of these HIOs is the wide ranging impact of their lack of diversity. Whilst diversity can definitely add value to a bottom line (as per the McKinsey research), it can have wider benefits in relation to the issues which are of particular concern to us as regulator – let me explain.

Why does this matter to the regulator?

Two key reasons: Diversity and good governance.

The rules we set, the standards we expect and want to raise, the focus on licensing objectives – achieving these successfully in businesses is yes about the analytics, the technology, the systems and the controls. But it is critically also about the governance framework in businesses and the culture that is promoted. Lots of evidence that models and practice of good governance are influenced by a range of things including diversity.

Therefore diversity is relevant to operators' role to meet their licence objectives. We have drawn out the importance of good governance via our emphasis on the AAS statements which are about getting board sign off, at the highest level of governance. Future of the AAS pilot will be reviewed by GC soon and expectations should be that we will explore how businesses can report to us also on diversity, as a dimension of, and contributor to, stronger governance.

Diversity and fairer and safer gambling

Our strategy pins its colours firmly to the mast of wanting to see a market evolve that puts fairer and safer gambling at the centre, and that focuses on the person, the product and the place, equally.

We see very clear alignment between diversity and safer and fairer gambling. A greater diversity in operators can support the ability to understand consumers better – KYC. In turn, it will also ensure better ability to understand what works for consumers, in terms of protections and standards. As a regulator, we need as an organisation to be reflective of the consumers we serve and we need also to tap into consumer interest better. As part of our new operating model to support the strategy, I am very pleased the Board have just approved a new consumer interest framework for the Commission which will include for example consumer assessments and appointing representative groups of consumers to tap into concerns and test ideas with.

Diversity can support innovation being open to different ways of approaching problems and their solutions. Clear commercial case for this in operators but our interest is in how this equips operators to be creative in applying this to licence objectives, finding solutions for example in the area of safer gambling and helping achieve our ambition of going further faster.

This is how diversity can contribute to well regulated businesses and markets and why the Commission is focused on it.

What are we doing as an organisation internally?

At the Commission we are attempting to embed diversity into everything we do and to think about how we can maximise the impact of the range of backgrounds and experiences which we have among our staff.

Over the last few years, we have been running a change programme across the organisation and we are constantly building upon this. By developing our ways of working, looking at how we can better support people to do their jobs well whatever their circumstances, and through learning and development activity including 'dignity at work' training for everyone. This has been reflected in improving levels of staff engagement. Organisations that reflect people and are in tune with their interests.

We provide access to various mentoring schemes, both within the Commission and cross-regulatory. These are open to all staff and I am pleased to see a large number of women taking part, as both mentors and mentees. In addition we run shadowing schemes for men and women and I am pleased to say that Jo Warren who is shadowing me is here today because she also has a keen interest in diversity, and she is a member of one of our mentoring programmes – welcome Jo.

But there is more we need to do as well. That's why I am particularly pleased that further action on diversity and inclusion will be part of the organisations' plans to deliver our new strategy across the employee journey.

For example - attracting talent – recruitment process. Anonymise applications. Balanced shortlists. Head-hunters – is the supply chain fixed on this?

Nurturing talent – better data to understand the decisions people make at stages of their careers and making best use of personal development plans (PDPs). Investment in leadership capability and fostering a culture of openness, continuous feedback and improvement. Mentoring, coaching etc.

The workplace, supporting flexible working (16 per cent formal flexibility arrangements in the Commission). Women returning to work.

Pay and recognition – Transparent reward. Commitment to work to 50/50 gender parity on pay by 2020.

Tap into the new Diversity and Inclusion strategy launched by CS. Jeremy Heywood, Cabinet Secretary had made D&I a top priority for the CS with aim to be UK's most inclusive employer by 2020.

Conclusions - hopes for the future and driving change from the top

My hope for the future of this industry is that you move forward and don't look back. That the sights that we can see here at ICE, the poor reputation of the sector in this area - that all can be consigned to history.

I hope that this year will be last year that my female executives, managers and colleagues have to hear the stories of promo girls, bikinis and pole dancers as they start to plan their visit to ICE.

I want to call on Clarion to give this issue priority on their industry-wide conference agenda, to look more closely at the type of exhibits they are attracting, to think about how that reflects not only on the gambling industry but also on themselves, on their female members of staff, on their reputation.

To exemplify the impact of this I want to read two stories - *extract from Rachel Lampard facebook post and colleague at the Commission.*

To repeat what I said on Monday, the Gambling Commission's attendance at events like this in the future will depend on there being change.

My key message to you to move this forward is to take the lead, and lead from the top. This isn't just a case of appointing and promoting women into key roles, it's about taking steps to understand diversity and inclusion in its broadest sense and the real opportunities and business case for this.

As a regulator we see close alignment with diversity and our objectives for good governance and safer and fairer gambling and will continue to push this and develop ways to drive this I'm really pleased to be here, and very much looking forward to joining the panel session to discuss these issues in more detail. And let's keep that discussion going more generally, let's share our knowledge, share our data, share our successes and share the responsibility - and let's start that right now.

Thank you.