

Equality, diversity and inclusion in the gambling industry

Keynote – a view from the regulator

Tuesday 22 May 2018

Introduction

I am Neil McArthur - the recently appointed Chief Executive of the Gambling Commission.

I have been with the Commission for over 12 years. I am proud of the Commission's achievements over that time - but there is still much to be done to create a fairer and safer gambling market for British consumers.

I'm particularly pleased to be here to speak about diversity and inclusivity as we need more diversity in the gambling industry. For example, I am struck by the fact that after 12 years I am still a relative newcomer compared to many of the people I meet from the industry.

As I have said before, the challenges we all face is how to balance consumer choice and enjoyment against the risks gambling can create and its impact on wider society?

At the Gambling Commission we see increased innovation, collaboration and diversity of thought as one of the keys to successfully meeting that challenge. Our Corporate Strategy for the next 3 years sets out how we plan to address that challenge:

We want to see a gambling market that is fairer and safer for consumers.

We want to prevent harm to consumers and the public, to protect the interests of consumers and to raise standards in the gambling industry.

We want to maximise the social contribution made through the returns to good causes from lotteries.

And crucially, we want to improve the way we regulate the market, to underpin everything else we hope to do.

But, the challenge of balancing of consumer choice with the risks associated with gambling isn't something the Gambling Commission can address on its own. So I want to say something about collaboration, innovation and how important both are with regards to achieving what we want to achieve.

The link between diversity and performance

I am going to explain why I feel so strongly about the link between collaboration, diversity and performance. I want to do that by looking at 3 things:

Assumptions

How might assumptions that get in the way of performance?

Collaboration

How can diversity improve performance?

Innovation

How can we use our collective strengths to get the best outcomes for consumers, the industry and each other?

Assumptions

We all make assumptions all the time: about other people and in the stories we tell ourselves. I'm going to use myself as an example, this isn't be any means an extreme example but I hope it will help to demonstrate the point.

The only social media I use is LinkedIn.

This is my LinkedIn profile

What do you see when you look at it?

What assumptions are you making?

What assumptions am I inviting you to make?

Do you see a middle class white guy?

Do you see someone who needs to worry about this headline?

First: no it isn't ok to vilify any group. Discussions about inclusivity should not be focussed exclusively on what the problem is but on how the problem can be addressed. But it is interesting to think about the forms of shorthand language used to describe large groups of people.

The language we use matters and reinforces our assumptions. So, if you are a white, 50 year old, male, solicitor, what assumptions are people likely to make about you, or rather me?

This is what in went last year's annual report. All the content is true, but it isn't the whole truth.

It says that I started my legal career in local government, which I did. But I started working nearly 10 years before that after failing my A levels. I left school at 18 with qualifications that could be politely described as 'modest' and I had to go to work.

I started work in an NHS finance team and started studying part time for an accountancy qualification. In short, whilst I am solicitor my qualifications were obtained later in life than is the case for many lawyers. I was 30 years old when I qualified as a solicitor. I am proud of that, but my route to qualifying as a solicitor was unusual – proof that not all paths to law are the same:

Many lawyers, do brilliantly at school, go on to get great degrees then on to law school – often paid for by the companies that have recruited them to be trainees. My experience wasn't like that: I was rejected hundreds of times by law firms – after all, I didn't have great 'O' or 'A' levels and most trainees hadn't worked for 5 years already.

In short – I didn't match the stereotype of a graduate trainee. I wasn't what they were looking for.

As I said, I am very proud of where I have ended up, but it has been a long road and I have needed a lot of help from supportive bosses and employers along the way. This is why I'm passionate about people looking outside of the stereotypes and challenging assumptions.

Here are few things I have noticed along the way:

Firstly, it's noticeable how many women I've worked for – that makes me wonder whether they might have been just a little bit more open minded about me: seeing potential where others saw my non-traditional background as a barrier.

Secondly, when I was looking for a training contract I had no connections – I didn't know any lawyers. No one I knew was a solicitor who could offer me some work experience.

Thirdly, I have noticed more and more as time has gone on, is the importance of "connections".

Now, there is nothing wrong with 'connections' in themselves, providing that you are aware of them and that they are not excluding others' views, skills and talents. The difficulty is that can and does happen – unnoticed but in plain sight.

I didn't have many connections – I needed people to take a chance on me and I am grateful that they did. Others, I am aware, are not so lucky.

When I was thinking about this speech, I came across a phrase that summed this up:

That phrase is fascinating to me. 'Privilege is invisible to those who have it' makes me recognise there are things I must have that I can't see.

I have picked on 'connections' as one type of privilege because I can see them – or at least some of them. There are obviously lots of others including race, gender, wealth, health and physical attributes – like height or disability - and education. Access to opportunities is not equal and the resulting impact can last lifetime.

The challenge is two-fold:

Firstly, if you have 'privileges' you probably don't notice their power and influence.

Secondly, we are conditioned to make assumptions and it's not always easy to unpick them.

Here is one final personal example to demonstrate the point.

The phrase 'privilege is invisible' comes from a TED talk by Michael Kimmel. In it he used a riddle as an example about assumptions.

The riddle is something like this:

A man and his son are driving on the motorway and there is an accident. The father is killed and the son is taken to hospital. As he is taken into theatre the

surgeon sees the boy and says, "I can't treat him, that's my son." How is this possible?

Despite the fact that I was watching a TED talk on gender, I struggled with the riddle for a moment. At the same time, on the video the scenario seemed a bit too perfect, as his children got the answer(s) immediately. So I tried it out on my 18 year old son, who was home from university for the weekend. Sure enough, just like in the TED talk, he saw it straight away and said as a matter of fact: "It's his mum." However, he then went on..." but you wouldn't get that as you are bogged down with gender bias." That put me in my place! But, he was right.

So whilst we are conditioned to make assumptions, and it is indeed difficult to unpick them, we have an obligation to do so.

Collaboration

Moving on to collaboration. It's important to me. Earlier on I mention how important collaboration and innovation are to achieving our objectives at the Commission, and that we are committed to supporting the industry to do the same.

None of us have all the knowledge to be successful. The old day of being expert in everything has long gone. I don't have all the answers, none of us do. So collaborating is important.

With regards to my attitude to the organisation I now lead, this slide sums it up well, the people in the Basque area making human towers. It illustrates how I think: I really don't think I can be successful if the rest of the Commission are not.

Culture therefore, is important. Some of the things you do and experience are an indication of the culture of your organisation.

To me, diversity and inclusion is about nurturing a culture that draws on the widest possible range of skills, knowledge and experience. This will help us, and you, to better understand and reflect consumers.

It is also bound to lead to better governance, risk management and decision making and help ensure that businesses are better able to meet the needs of consumers.

At the Commission, we know that we need to work to improve the culture and diversity of our own organisation. Helping us to better understand the diversity of gambling consumers and the wider public, and to value the individuality we have within the Commission.

We do invest in our people to harness the differences in their skills, knowledge and experience, and we want to go further with that.

- We have successful internal mentoring and cross-regulator mentoring schemes
- We are working hard to make our L&D offerings much more personal, much more useful
- We promote a healthy work life balance and offer significant opportunities for flexible and home working.

We also recognise the need to bring in new people and experienced people, with different skills and different backgrounds. That includes needing to look at innovative ways to bring in industry experience. We are open to the idea of offering secondments

to industry and *vice versa*, keep people moving but in a way that benefits us all through the diversity of thought and experience

Innovation

So finally, I want to talk about innovation, and it's importance to our work. If we are not careful we are doomed to repeat the same thinking and get the same results.

I see this a lot in our industry. There is too much assertion about what will work and too little evaluation; too much rhetoric and too little evidence. Introducing better testing and evaluation of new ideas and initiatives would, in itself, be innovative.

We need to draw on a wider range expertise, so it's not just the same old people talking. And when people do speak, it would help us all if they would think more carefully about what they are saying. Exaggeration and infighting does no one in the gambling industry any good. It risks diverting attention from the real issues and risks.

For example, just last week we saw the media report that voices in the industry were suggesting that the FOBT stake cut could lead to more children gambling online. If you were me – if you were the gambling regulator – how might you interpret that claim?

Should I conclude that – contrary to the evidence I have – betting operators know that there are significant numbers of children gambling on FOBTs today, who might move to online as a result of a stake cut? I should hope not.

Should I conclude that – contrary to the evidence I have – betting operators know that their online age verification checks are limited and ineffectual? Once again, I should hope not.

None of the evidence I have seen suggests that a cut to FOBT stakes is likely to lead to more children gambling online. It looks to me like a sensational claim without foundation. Indeed, it better not be true – because operators who allow children to gamble will be on the receiving end of the Commission's enforcement powers.

Even so, it is a claim that detracts from the good work that is being done to prevent children from being harmed or exploited by gambling.

I am keen to explore how we can think about success and failure in a different way.

The idea that failure and success are opposites doesn't hold for me. Instead we need to focus on the lessons learned and try again.

If we do, we will find that the industry will be more successful. For instance if the industry can be encouraged to do more piloting, safely, I have high hopes this will yield results. But that doesn't mean that we won't be tough on non-compliance and take a very dim view of those that don't do all they can, all they really can, to make progress.

Mind-set is important to me. If you have a growth mind-set you see failure as an opportunity to learn. If you have a fixed mind-set you may try to suppress the evidence that things haven't gone well. There is research into how such small differences can be to make a big difference.

There is an interesting book, 'Black Box Thinking' which explores these ideas in detail. It compares the attitudes in health, which the author suggests has a fixed mind-set and tends to cover up mistakes, with aviation which has a growth mind-set and people learn

quickly from mistakes. We can learn from looking at practices in other industries, and back to that point about recruiting from the same pool, we can benefit from bringing in talent from outside the gambling industry.

If we can unleash the potential in all of us, I am confident that we can meet the ambitions in our corporate strategy to benefit consumers and the industry, as whole.

To conclude:

Protecting people from gambling related harm is vitally important – it's at the very core of our statutory objectives

In March, we published our advice to the government's gambling review. In it, we proposed a comprehensive package of measures to tackle the risk of harm, including advice about stakes. Our recommendations include banning mixed play, better gambling management tools, and we see a case for making tracked play mandatory in the longer term.

The response to our advice focused almost exclusively on our advice about stakes. To an extent we expected that, but it was disappointing to see such wide spread misreporting or misunderstanding about our advice on stakes and we've been working hard to address that since.

Ultimately, as we note in our advice, the decisions that needed to be taken are matters for ministers. Our role was to give the best possible advice, based on the best available evidence and that is what we did.

On the subject of harm minimisation, there are three other points I want to make.

The first relates to funding for research, education and treatment.

I want to see the industry up its game in meeting the expectations set out in the National Responsible Gambling Strategy.

This includes securing more funding for Research Education and Treatment.

If the industry can't provide what is needed, there is strong case for a statutory levy.

The second relates to problem gambling rates

Stable statistics are not, in my view, a good news story. I want to see problem gambling rates reduce.

We want to stimulate a culture of innovating, trialling and evaluating different measures to identify what works best to protect consumers.

Part of that is understanding the consumer, the customer much much better. Which leads me on to the next point.

Diversity

We want the industry to be innovative, to innovate and collaborate to better protect consumers

Collaborate by sharing ideas, best practice and lessons learned. We want to support the industry to do that, and we will.

Key to moving beyond group thinking is diversity – not recruiting from the same pool. Moving beyond what looks, sounds and feels like us to be diverse in terms of backgrounds, ages, opinions.

It's this diversity that will create challenge, scrutiny, which in turn leads to the best thinking, the new ideas and the brave steps forward. The initiatives that change the world come from this kind of thinking and without diversity of input at every level within your organisation you simply do not get that.

Thank you.