

CORPORATE SOCCIAL RESPONSIBILITY



Engaging and Learning
from our Stakeholders

Bev Mehmel and Susan Olynik
Manitoba Lotteries

GROWING OUR CORPORATE
SOCIAL RESPONSIBILITY



ABOUT MANITOBA LOTTERIES

- Provincial Crown - 1800 employees
- Club Regent and McPhillips Station Casinos
- Video Lottery Terminals – at 515 sites
- Supply Breakopen tickets and bingo paper
- Distribute Lottery products – over 800 retailers
- Net revenue supports provincial health care, education, community, social services and economic development



CSR

DEFINITION

The overall relationship of a corporation with all of its stakeholders.

Elements include investment in community outreach, employee relations, creation and maintenance of employment, environmental stewardship and financial performance.

- *Conference Board of Canada*



THE BIG PICTURE

- A priority for organizations around the world
- Business decisions have an impact on society and the community
- Public expectation for transparency and accountability continues to grow



MANITOBA LOTTERIES AND CSR

- History of giving back to since early 90's
- Board of Directors policy in 2006
- Overarching CSR strategy in 2008 -- Responsible Gaming, Community Support, Sustainable Development, Business Relationships and People Services
- Need to assess effectiveness of our CSR strategy to identify opportunities or problems



MANITOBA LOTTERIES AND CSR

- For many companies, CSR tactics and initiatives grow over time
- Tactics may become detached from an overarching strategy
- **Result = Uncertainty**
 - Do these CSR initiatives and tactics contribute to benefits in our stakeholders' eyes?
 - Is our CSR approach yielding benefits to our organization?



MANITOBA LOTTERIES AND CSR

- We wanted to move beyond traditional tactics by starting to engage with our stakeholders.
 - To see ourselves as they see us
- Why? To understand how best to be part of our communities, provide social value and truly be an **authentic** organization
- Results of engagement will “seed” long-term CSR strategy.
- Assistance from Dr. Jay Handelman (Queen’s University, CSR)



AUTHENTICITY 4 DIMENSIONS

Standing Out

Competitive Advantage Dimension

- Best products & services
- Best employees
- Best technology & manufacturing

Reputation Dimension

- Organization is personified as:
- Trustworthy, honest & reliable

Legal & Corporate Governance Dimension

- Industry & regulatory compliance
- Corporate governance

Authenticity Dimension

- Organization is interwoven in the community
- Organization is socially relevant

Economic
(Tangible)
Value-
Added

Social
(Intangible)
Value-
Added

Blending In



AUTHENTIC COMPANIES

- Proactive and visionary
- Committed to long run success
- Transparent
- Humble, introspective, honest
- Open to mutual dialogue
- Part of the solution





STAKEHOLDER ENGAGEMENT

What did we want to know?

- Assess whether CSR tactics positively contribute to stakeholders' assessment of us.
- **Authenticity** is critical to CSR – how are we doing from our stakeholders' perspective is the key measure.
- Without **authenticity**, CSR is regarded as a public relations exercise



STAKEHOLDER ENGAGEMENT

Objective:

Assess our stakeholders' perceptions of Manitoba Lotteries as an authentic and trustworthy organization; one that is respected as a good corporate citizen.





STAKEHOLDER ENGAGEMENT

1. **Beneficiary:** charitable recipients, business and social agency partnerships
2. **Advocacy:** groups who advocate for those who are opposed to or have been negatively affected by gambling
3. **Customers:** VLT, Lottery, casino, urban/rural
4. **Non-Customers:** Do not play or participate in our products



METHODOLOGY

- Focus groups conducted in 2009 with Beneficiaries, Customer/Non Customers
- Individual interviews held with Advocacy participants
- Anonymity was key; independent consultants retained
- Meetings held in Winnipeg and rural Manitoba at neutral locations
- Discussions focused on stakeholders' perceptions of our CSR involvement



DISCUSSIONS

- Stakeholders' perceptions about Responsible Gaming, Community Support, Sustainable Development, Business Relationships and Employee programs
 - What did they think defined "social responsibility"?
 - What did they know about our CSR activities?
 - What could we do better?
 - Could they ever see themselves engaging with us?
 - What aspect of our business influences their opinions of us?



HIGHLIGHTS BENEFICIARY & ADVOCACY

- **Beneficiaries:**
 - Appreciate financial support -- but want more active involvement
 - Viewed positively with respect to authenticity; generally proactive, committed
- **Advocates:**
 - Feel like disempowered “outsiders”
 - Advocates willing to talk with us about marketing and advise on CSR initiatives especially addictions-related
- Need to be more transparent (across all groups)



HIGHLIGHTS CUSTOMER & NON-CUSTOMER

- Most have little or no understanding of CSR; some skeptical of the whole idea
- Responsible gaming elicited most discussion – is the priority in the stakeholders' minds
- Other aspects of CSR "expected"
- Need to be more transparent
- Most are not able to recall specific CSR initiatives
- BUT were pleasantly surprised when a number of initiatives were revealed



RESULTS WHAT DID THEY SAY?

Q. Are We Committed to the Success of Societal Initiatives?

- Regarded positively in terms of relationship building
- Most surprised at extent of our community involvement
- Many said they would like to see us “share the passion” more through learning about the underlying social issues they work to address



RESULTS WHAT DID THEY SAY?

Q. Are We Proactive Toward Societal Problems?

- Overwhelming majority felt it was important that we be involved in CSR, especially responsible gaming
- Some said we were proactive – but many didn't know about our programs
- Those familiar with us felt we were engaged, proactive and making positive strides in Responsible Gaming and Community Support



RESULTS WHAT DID THEY SAY?

Q. Is Manitoba Lotteries Transparent and Open?

- Those who contacted us in the past with inquiries said that we provided the information
- Many said “odds of winning” info is available – however, many were unaware that we provide useful player information
- Others said we were not transparent, especially about gambling and its effects



RESULTS WHAT DID THEY SAY?

Q. Are we humble & introspective about our CSR efforts?

- Most had a neutral opinion as they knew too little about us
- Those who agreed with this had some level of involvement with us
- Participants felt we should talk about the good work we are doing BUT we cannot be boastful
- For some: the inherent contradiction between CSR and our core business of gaming presents a challenge for us



RESULTS WHAT DID THEY SAY?

Q. Are We Open to Mutual Dialogue?



- Generally yes
- Expressed a strong interest to further engage so we can better understand their concerns regarding gambling



RESULTS WHAT DID THEY SAY?

Q. Are We Part of the Solution to Societal Problems?



- Seen as supportive of non-gaming causes, but felt we could do more
- Seen as an environmental solution maker
- Some regarded us as being part of solution to problem gambling -- others felt we contribute to it, and do not fully acknowledge it



RESULTS WHAT DID THEY SAY?

Additional Comments

- More dialogue would be beneficial to increase mutual understanding
- Should continue to initiate programs to help people manage their gaming responsibly and respond to problem gambling
- Expect us to support the community through active involvement





NEXT STEPS



- **ASSESS** our strategy based on feedback re authenticity
- **REFOCUS** our strategy using stakeholder feedback
- **CONSULT** with current groups and others
- **COMMUNICATE** topics of stakeholder interest
- **INVOLVE** community partners to identify common objectives



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