



HANNAH GAU/GETTY

The hidden ad gambling in th

Dr Mark Griffiths invites organisations to take note



diction: e workplace

Most people reading this might be thinking to themselves, what has gambling to do with the workplace? Well, here's a name to get you started. Nick Leeson. Leeson, you may remember, was the man who in 1995 single-handedly brought down the UK's oldest investment bank, Barings. Leeson was a derivatives broker whose fraudulent gambling caused the spectacular collapse of one of the UK's most established financial institutions. From the early 1990s, Leeson allegedly made countless speculative (and unauthorised) gambles on the stock market that at first made large profits for his employers. However, as with most gamblers, his 'beginner's luck' soon ran out and he started to lose huge amounts of money. To cover up his large losses, he began to hide them in an 'error account' (ie accounts that are used by financial companies to correct their mistakes made in trading). It was on 16 January 1995 that one national disaster (the Kobe earthquake) led to a disastrous financial one (the collapse of Barings Bank).

Things went tragically wrong when Leeson – using his employer's money in an effort to recoup some of the money he had lost – placed a bet that the Japanese stock market would not move significantly overnight. However, on the morning of 17 January, the Kobe earthquake occurred and it sent the Asian financial markets into turmoil. To try and retrieve the lost money, Leeson made a series of increasingly risky gambles by betting that the Nikkei stock market would recover quickly – but it did not. Leeson's losses eventually reached £827 million (which was more than twice the bank's available trading capital). After a failed bailout attempt, Barings Bank was declared insolvent just over five weeks later (26 February 1995). Leeson fled but was eventually caught in November 1995 and was charged with fraud. He received a jail sentence of six and a half years. Interestingly, Leeson (and others) went on to blame Baring's own poor

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auditing and risk management practices.

Most companies probably do not have policies in place to prevent one individual employee gambling away all of the company profits. However, Leeson's (albeit somewhat extreme) antics demonstrate that organisations need to acknowledge that gambling with company money can be disastrous for the company if things go horribly wrong. While no company expects an employee gambling to bring about its collapse, Leeson's case does at least highlight gambling as an issue that companies ought to think about in terms of risk assessment.

Gambling is a popular leisure activity and recent national surveys into gambling participation show that around two-thirds of adults gamble annually and that problem gambling affects between 0.5-2 per cent of the population¹. There are a number of socio-demographic factors associated with problem gambling. These include being male, having a parent who was or who has been a problem gambler, being single, and having a low income². Other research shows that those who experience unemployment, poor health or housing, and low educational qualifications have significantly higher rates of problem gambling than the general population².

It is clear that the social and health costs of problem gambling can be large on both an individual and societal level. Personal costs can include irritability, extreme moodiness, problems with personal relationships (including divorce), absenteeism from work, family neglect, and

bankruptcy³. There can also be adverse health consequences for both the gambler and their partner including depression, insomnia, intestinal disorders, migraines, and other stress-related disorders³.

For most people, gambling is not a serious problem and in some cases may even be of benefit in team building and/or creating a collegiate atmosphere (eg National Lottery syndicates, office sweepstakes)⁴. However, for those whose gambling starts to become more of a problem, it can affect both the organisation and other work colleagues. Typically, problem gambling at work can lead to many negative 'warning signs' such as misuse of time, mysterious disappearances, long lunches, arriving at work late, leaving work early, unusual vacation patterns, unexplained sick leave, internet and telephone misuse, etc⁴. However, new forms of gambling, such as gambling via the internet or mobile phones at work, means that many of these warning signs are unlikely to be picked up⁵. However, just because problem gambling is difficult to spot does not mean that managers should not include it in risk assessments and/or planning procedures. Listed below are some practical steps that can be taken to help minimise the potential problem⁴.

Problem gambling can clearly be a hidden activity and the growing availability of internet gambling is making it easier to gamble from the workplace⁵. Thankfully, it would appear that for most people, gambling is not a serious problem. For those whose gambling starts to become more

Practical steps to minimise the problem

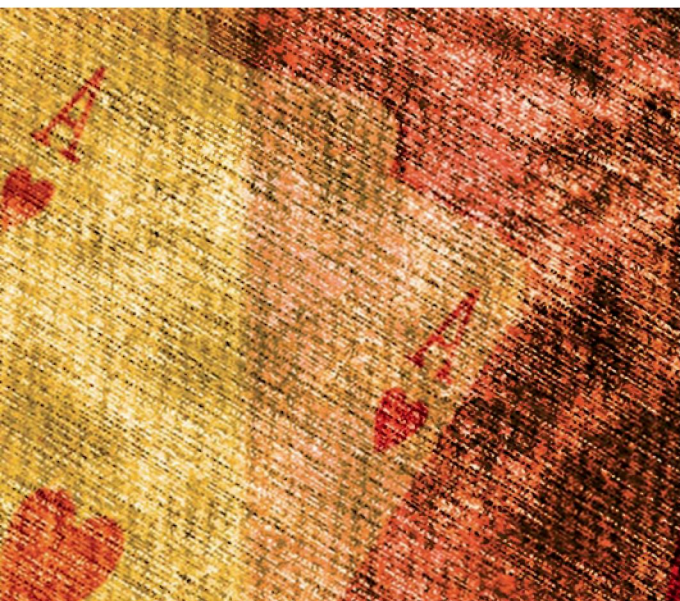
■ Take the issue of gambling seriously.

Gambling (in all its many forms) has not been viewed as an occupational issue at any serious level. Managers, in conjunction with human resources departments, need to ensure they are aware of the issue and the potential risks it can bring to both their employees and the whole organisation. They also need to be aware that for employees who deal with finances, the consequences for the company, should that person be a problem gambler, can be great.

■ **Raise awareness of gambling issues at work.** This can be done through email circulation, leaflets, and posters on general notice boards. Most countries (including the UK) have national and/or local gambling agencies that can supply useful educational literature (including posters). Telephone numbers for these organisations can usually be found in most telephone directories.

■ **Ask employees to be vigilant.** Problem gambling at work can have serious repercussions, not only for the individual but also for those employees who befriend a problem gambler, and the organisation itself. Fellow staff members need to know the signs and symptoms of problem gambling. Employee behaviours, such as asking to borrow money all the time, might be indicative of a gambling problem.

■ **Give employees access to diagnostic gambling checklists.** Make sure that any literature or poster within the workplace includes a self-diagnostic checklist so that employees can check themselves to see if they might have (or be developing) a gambling problem.



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of a problem, it can affect both the organisation and other work colleagues (and in extreme cases cause major problems for the company as a whole). Managers clearly need to have their awareness of this issue raised, and once this has happened, they need to raise awareness of the issue among the workforce. Gambling is a social issue, a health issue and an occupational issue. Although not high on the list for most employers, the issues highlighted in this article suggest that it should at least be on the list somewhere. ■

References

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- 4 Griffiths MD. Internet gambling in the workplace. In: Anandarajan M, Simmers C. (eds) *Managing web usage in the workplace: a social, ethical and legal perspective*. Hershey, Pennsylvania: Idea Publishing; 2002.
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The revised criteria for pathological gambling by The American Psychiatric Association's *Diagnostic and statistical manual of mental disorders, 5th edition (DSM-V)* can be found at: <http://www.dsm5.org/ProposedRevisions/Pages/proposedrevision.aspx?rid=210#>

■ **Check the monthly telephone bills of your staff.** Although it will be hard to spot the occasional gambler, those staff members with a gambling problem are likely to have set up a telephone account with one or more bookmakers and are probably more likely to have internet gambling accounts if they have internet access at work too.

■ **Check internet 'bookmarks' of your staff.** In some jurisdictions across the world, employers can legally access the emails and internet content of their employees. One of the easiest checks is to simply look at an employee's list of 'bookmarked' websites. If they are gambling on the internet regularly, internet gambling sites are almost certainly likely to be bookmarked.

■ **Develop a 'Gambling at work' policy.** Many organisations have policies for behaviours such as smoking or drinking alcohol in the workplace. Employers should develop their own gambling policies by liaison between human resource services and local gambling agencies. A risk assessment policy in relation to gambling would also be helpful.

■ **Give support to identified problem gamblers.** Most large organisations have counselling services and other forms of support for employees who find themselves in difficulties. Problem gambling needs to be treated sympathetically (like other addictions such as alcoholism). Employee support services must also be educated about the potential problems of workplace gambling.