

## Leadership in a distributed world

### *Lessons from online gaming*

*Globalization is placing new demands on today's corporate leaders. As organizations continue to expand and operate in a more virtual environment, executives are being asked to provide guidance and direction to teams working across time zones and distances. In addition, the competitive environment is requiring leaders to make sense of increasingly disparate sources of information and make decisions more rapidly. In this changing environment, where can organizations turn to see the future of leadership? How can they determine the skills and tools that leaders will need to be successful? We believe that online gaming provides a window into the future of organizations and the leadership capabilities necessary to guide enterprises to success.*

Initially, seasoned executives might scoff at the notion of learning leadership lessons from the world of computer games. Yet, massively multiplayer online role-playing games (MMORPGs), which bring together thousands of simultaneous players in a fast-paced online environment, can provide an interesting portent for the future of organizations. MMORPGs represent a growing business that, according to the TowerGroup, will reach 40 million people and generate over US\$9 billion in revenue by 2010.<sup>1</sup>

Numbers aside, the similarities between the online, globe-spanning gaming world and the emerging picture of the globally integrated enterprise of

the future are actually quite striking. As technological innovation enables companies to disaggregate and send increasing amounts of work to employees and external partners around the world, organizations are conducting more work virtually. Corporate leaders must both coordinate and motivate individuals who are separated by time zones and cultures. Collaboration – at an individual and corporate level – has become a necessity. And in today's dynamic business environment, leaders must take more risks and execute with greater speed – briskly connecting talent and moving information and knowledge around the globe to fulfill organizational needs.

Given the parallels between the gaming environment and the globally integrated enterprise of the 21st century, we decided to explore the similarities and differences in leadership across both domains. To do so, we tapped into an extensive cohort of gamers who work for IBM. Because our 214 respondents have experience in both the corporate and gaming worlds, we believe they are well-suited to evaluate leadership behaviors and tools in both environments.

From our study, we learned that leadership behaviors are universal, but the relative importance of those behaviors shifts in a virtual world. More specifically:

- Virtual leaders must focus on developing trust among people who may never physically interact.
- “Visioning” will remain among the most important behaviors for leaders of globally integrated enterprises to master while communicating to a global workforce engulfed in constant change.
- Effective leaders will use readily available data to make quick decisions and more frequent mid-stream corrections.
- Leaders focused on execution will motivate employees with on-the-spot feedback and rewards that are aligned with strategic imperatives.



To succeed, a leader must not only demonstrate certain behaviors, but also use certain tools and techniques. Survey participants ranked six online gaming capabilities as most applicable to the corporate environment:

*Communicate in realtime on multiple channels.* Leaders must communicate with team members to gather data for evaluation, identify the right people for the right task, offer instructions for execution and achieve goals. These communications take place over a variety of channels, such as voice, e-mail and instant messaging.

*Identify and develop the skills/abilities of your character.* This helps leaders not only allocate tasks in the short term, but also helps players determine their own skills and interests for future opportunities.

*Navigate instantly to the place where people you want to connect with are located.* In a virtual world, leaders must still get “in front” of their followers to build trust and create esprit de corp. Designating a single meeting location gives the team a virtual “place” to gather.

*Accumulate assets and earn status, experience and points.* Leaders use incentives to encourage behaviors and collaboration and show “what’s in it” for players, thereby aligning individual and team goals. Short-term incentives provide instant feedback that can help boost morale, energize action and correct behavior.

*Quickly locate capable players to participate in raid/quest.* Finding the right people with the right capabilities on short notice is a must for online games, given the scattered and diverse locations of players and the voluntary nature of participation. In the corporate world, finding available talent from around the world to work on new opportunities or fill existing gaps is challenging and increasingly critical.

*View operational status and communication channels simultaneously.* This dual view enables faster decision making and fluid handoffs of responsibilities.

## Lessons from online gaming

Overall, our study led us to six key recommendations for business leaders working in a more distributed world:

1. *Apply virtual communication tools and facilitation techniques to more effectively connect people from around the world.*
2. *Use collaborative spaces to gather knowledge, express ideas and concerns and share passions.*
3. *Spend more time on setting organizational context and communicating where the organization needs to go.*
4. *Improve the visibility of both formal and informal skills.*
5. *Use dashboards linked to collaborative tools to capture key realtime information about people, activities and outcomes.*
6. *Provide more frequent guidance and link performance to recognition.*

Obviously, the stakes are much higher in business than in gaming, and we do not mean to trivialize the operational challenges of a global enterprise in any way. However, we do believe the world of MMORPGs – and the behavior of leaders who guide guilds of globally-dispersed gamers – can offer fresh insights into the development of new leadership capabilities for global enterprises. To succeed in a more global, faster-paced business environment, organizations will need to consider both the behaviors they are going to need their future leaders to demonstrate, and the tools and techniques leaders will need to master.

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## Reference

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