

IBM Global Business Services



IBM Institute for Business Value

Leadership in a distributed world

Lessons from
online gaming

Human Capital
Management



IBM Institute for Business Value

IBM Global Business Services, through the IBM Institute for Business Value, develops fact-based strategic insights for senior business executives around critical industry-specific and cross-industry issues. This executive brief is based on an in-depth study by the Institute's research team. It is part of an ongoing commitment by IBM Global Business Services to provide analysis and viewpoints that help companies realize business value. You may contact the authors or send an e-mail to iibv@us.ibm.com for more information.



Leadership in a distributed world

Lessons from online gaming

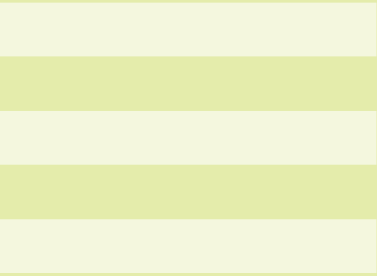
By Michael DeMarco, Eric Lesser and Tony O'Driscoll

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.

Introduction

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 2010.¹

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.

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.

Leadership in a distributed world

Lessons from online gaming

Though work and play have historically been considered distinct activities, the two are becoming much more similar than executives might suspect.

The future of work and leadership: Insight from MMORPGs

In today's increasingly global business environment, companies are being forced to conduct more work virtually. Besides being more distributed, the business world has become faster paced and intensely competitive. For today's corporate leaders, engaging the hearts and minds of individuals who are located around the globe has proven difficult, especially in emerging economies where plentiful job opportunities and rising wage rates make it difficult to hold onto the best and the brightest.

With organizations struggling to find traction in this rapidly changing global environment, where can they turn for guidance on building a leadership toolkit for the future?

Harkening back to the old adage about "all work and no play," it turns out that MMORPGs can offer a glimpse into the future of work. In MMORPGs, leaders develop and operate in environments that are highly distributed, global, hyper-competitive and virtual – not unlike today's business world. In these sophisticated gaming environments, leaders recruit, organize, motivate and direct large groups of players toward a common goal. They must make decisions quickly, often based on incomplete information. With this backdrop, it's easy to see how some of the qualities of gifted gaming leaders are very similar to those needed in a corporate setting.

While studying the personal attributes of online gaming leaders is useful, perhaps more important is the role the environment plays in their development. Many of the qualities of online game environments facilitate leadership, and speed up the process of developing leaders.

Recent research done by IBM, Byron Reeves from Stanford University, Tom Malone from the Massachusetts Institute of Technology (MIT), and Seriosity, a company that Professor Reeves co-founded to develop products and services based on the intersection of business and gaming, highlights significant parallels between online gaming and the future of work.² Both environments:

- Bring together large numbers of participants in highly complex virtual environments
- Enable participants to self-organize, develop skills and take on changing roles
- Require constant risk taking, iterative improvement and the ability to accept failure
- Provide incentives that are clearly linked to contribution and performance
- Make participants' capabilities openly known
- Require collaboration and a leader who can influence collaborative approaches
- Provide sophisticated and varied communication channels.

Making the connection between corporate and gaming leadership

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. For this study, we collected survey responses from 214 professionals who participate in a community of online gaming enthusiasts. (For study demographics, please see Appendix 1). Because these respondents have experience in both the corporate and gaming worlds, we believe they are well-suited to evaluate leadership behaviors in both environments.

We focused our research on three areas (see Figure 1):

- Which leadership behaviors are most relevant in online and corporate settings?
- Which tools and capabilities benefit leaders in both environments?
- How relevant are the parallels between leadership in the online and corporate worlds?

Leadership behaviors

Academics and business thought leaders have developed countless leadership models over the ages to identify the key behavioral attributes required for success. For our purposes, we sought a leadership model or models that would enable us to better frame our comparison of leadership within the gaming and corporate worlds. Ultimately, we used a hybrid of our internal IBM leadership model and a well-known leadership framework developed by MIT Sloan faculty members Deborah Ancona, Wanda Orlikowski, Peter Senge and Tom Malone.³

Using our model, we developed 19 survey questions related to four pivotal leadership behaviors (see Figure 2 for a list of the 19 topics):

- *Visioning* – Setting a vision for what that organization can be in the future
- *Evaluating* – Gathering information to determine strategic risks for the organization
- *Collaborating* – Leveraging the value of connections and relationships to overcome organizational barriers and accomplish key activities
- *Executing* – Getting the most out of followers and achieving desired results.

FIGURE 1.

Areas of study focus.



Source: IBM Institute for Business Value.

Virtually all of the key leadership behaviors are exhibited in both gaming and corporate environments, although their perceived importance varies somewhat.

FIGURE 2.

Leadership behaviors used in this study.

We determined the importance of each of the four leadership behaviors – visioning, evaluating, collaborating and executing – by surveying our respondents about the 19 specific sub-behaviors shown below:

Visioning

1. Creates a compelling vision of new possibilities for the organization
2. Expresses confidence in own abilities, experience and judgment
3. Sets high expectations for what the organization can do
4. Assures long-term sustainability of effort through commitment to a common purpose/vision

Evaluating

5. Gathers, validates and integrates nontraditional sources of information
6. Makes rapid, data-driven decisions that address the immediate situation and considers the longer-term impact
7. Supports brokering of information and sharing of resources
8. Seeks opportunities to stretch his or her own abilities and experiment with new things
9. Learns from mistakes of self and others

Collaborating

10. Creates and maintains strong personal relationships and contacts at multiple levels
11. Follows through on commitments and demonstrates consistency between words and actions
12. Rallies the hearts and minds of others around a common cause and creates a sense of commitment
13. Gives positive feedback on performance in the moment
14. Considers the implications of own actions on others and adjusts accordingly

Executing

15. Creates new work structures and approaches
16. Translates seemingly unattainable goals into manageable pieces
17. Sets clear performance expectations and helps others understand the importance of the goal
18. Monitors, organizes and drives others relentlessly toward an established goal
19. Demonstrates resilience and emotional stamina when difficulties and problems occur, taking responsibility for the situation.

Source: IBM Institute for Business Value analysis; adapted from IBM internal leadership models as well as the work of Deborah Ancona in "Leadership in an Age of Uncertainty," MIT Leadership Center Research Brief, 2005.

From the survey, we identified a number of important results:

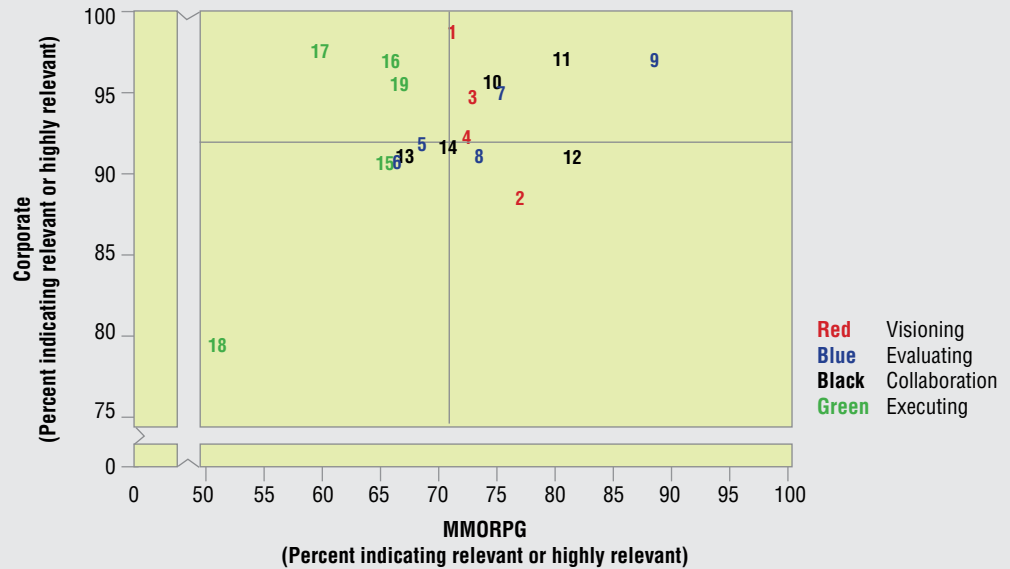
Overall, leadership behaviors appear to be relevant in both gaming and corporate environments.

It was apparent from our analysis that virtually all of the leadership behaviors were perceived as valuable in both the corporate and gaming settings. While the relative importance of each of the 19 behaviors was slightly lower for gaming leadership, overall, these behaviors were still found to be highly relevant (see Figure 3). This reinforces previous research conducted by IBM and Seriosity that highlights the similarities between the leadership

qualities demonstrated in corporate and gaming settings. However, as we show later in the paper, there are some differences in the relative importance of behaviors in the corporate and gaming environments.

One behavior that appeared to be an outlier focused on "monitoring, organizing and driving others relentlessly toward an established goal." Individuals in the sample believed that this behavior held relatively less importance in both the corporate and gaming worlds. This suggests that self-organizing and regulating behaviors may be more appropriate in an increasingly flexible and virtual environment.

FIGURE 3.
Relevance of leadership behaviors.



Note: The numbers here correspond to the behaviors listed in Figure 2.
 Source: IBM Institute for Business Value.

Collaborative behaviors are vital to leadership success within MMORPGs and will be increasingly so within corporate environments.

While our respondents found collaborative behaviors to be important for both corporate and gaming leaders, the relative importance was greater for gaming leaders. In a virtual environment, where leaders do not have face-to-face interaction with their followers, building personal leadership credibility takes on a premium and requires finding new ways to win the hearts and minds of others. The best gaming leaders build credibility by first creating strong personal relationships with their followers. As one survey respondent said, “In games, it’s important to be able to find what motivates an individual and try to cater to that need as best you can...your raw skills in a game are not as important as the ability to communicate, organize and activate guild

members.” Similarly, in corporate environments where employees are becoming increasingly distributed and virtual, the ability to foster collaboration will become an even more critical leadership quality in the future.

Visioning is more important to corporate environments because the business playing field lacks the many predefined dimensions that lend structure to games.

In our findings, we learned that behaviors associated with visioning were ranked higher in corporate environments than in gaming environments. In fact, respondents identified “creating a compelling vision of new possibilities for an organization” as the single most important behavior for corporate leaders. Because many game dimensions and desired outcomes are predefined, it’s understandable that gaming leaders may place less emphasis

Respondents ranked “creating a compelling vision of new possibilities” as the most critical behavior for corporate leaders.

on painting a long-term picture of the future for others. Even so, gamers rely on leaders to use visioning behaviors for motivational purposes. As one respondent stated, “It’s important to have a vision to rally your team around, but the vision must be concrete. Vague concepts don’t rally teams for long.”

Evaluating is an important skill for both MMORPG and corporate leaders who must gather information from far-flung sources and quickly and decisively chart a course for action.

In games, learning-by-doing is key. The best leaders collect and evaluate data, take decisive action, judge the results of that action then respond accordingly. Aligning the evaluation process with the dynamic business environment of the 21st century will not happen overnight, as the survey respondent suggested when saying, “Failure to achieve a goal on the first try must be used as a learning experience and is not unusual in MMORPGs; reattempting with new knowledge is an important way of progressing in MMORPGs...In the corporate environment...reattempting is hard.”

Executing in games, and in more flexible corporations, is enabled by aligning frequent feedback with both short- and long-term incentives tied clearly to goals.

In games and at work, people will “play” where they feel best treated and where rewards are consistent not only with their economic needs but also with their values. Our research shows that the best gaming leaders motivate accordingly by breaking desired outcomes

into manageable pieces and by distributing feedback immediately upon the completion of a particular objective. Because action happens fast in games, rewards are also distributed rapidly, which serves to reinforce desired values and motivate toward longer-term stretch goals that require resilience and stamina on the parts of both the players and the leader.

One survey respondent commented on execution within games by saying, “Strong leadership in MMORPGs involves having a definite goal for the group, or guild, motivating it toward that goal and breaking steps up so they are attainable.” Again, we see basic leadership fundamentals on display, but in the context of fast-moving, virtual environments, the fundamentals require more rapid leadership responses to effectively guide a team.

Implications

Overall, we see that leadership behaviors are universal, but the relative importance of those behaviors shifts in a virtual world. We learned that:

- 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.

Leadership tools and capabilities

To succeed, a leader must not only demonstrate certain behaviors, but also apply tools and techniques to increase the impact of their behaviors. As part of our study, we asked our respondents about 24 capabilities typically found within online gaming environments and asked which were the most important in terms of enhancing leadership effectiveness in the corporate environment (see Figure 4 for a complete list).

From the list of 24, six capabilities were ranked highest by survey participants:

Communicate in realtime on multiple channels.

To win, leaders must communicate with team members to gather data for evaluation, identify the right people for the right task, offer instruc-

tions for execution and drive toward the agreed-upon goal. These communications take place over a variety of channels, such as voice, e-mail and instant messaging. This allows leaders to reinforce critical messages and helps ensure that individuals in the field are providing input to leaders and coordinating with others on an ongoing basis.

Identify and develop the skills/abilities of your character. In games, by identifying the skills/abilities of players, leaders not only allocate tasks in the short term, but also help players determine their own skills and interests. From there, they show those players how they can acquire the skills necessary to play other roles within the team over the medium to long term.

FIGURE 4.

Leadership tools and capabilities.

We surveyed our respondents on the importance of 24 environmental areas and their applicability to corporate environments:

Developing individuals

1. Understand your guild's place in the culture/lore of the game
2. Understand your guild's position within the game (e.g., maps, ranking)
3. Choose how you represent yourself within the game (e.g., avatar)
4. Understand your character's role within the guild
5. Identify and develop the skills/abilities of your character
6. Quantify and recognize status/capability/reputation (e.g., levels)

Providing incentives

7. Accumulate assets and earn status/experience/points
8. Determine value of participating in a raid/quest beforehand
9. Entice capable players to participate in a raid/quest
10. Use performance data to determine raid/quest contribution/merit
11. Immediately share winnings from a successful raid/quest
12. See what others earned for their participation in a raid/quest

Evaluating progress

13. View the rank/level/experience of characters you are playing with/against
14. View operational status and communication channels simultaneously
15. View game-play unfold from different perspectives
16. View capability data of guild members (rank, level, health, time on task, location in physical space) in realtime
17. View and track individual/guild progress and level/status relative to others

Enabling communication, collaboration and connection

18. Communicate in realtime on multiple channels
19. Switch between public and private communication channels (e.g., broadcast, narrowcast, microcast)
20. Communicate nonverbally through avatar appearance and actions
21. Integrate voice, visuals and text in communication
22. Discuss or construct objects in the 3-D space
23. Navigate instantly to the place where people you want to connect with are located
24. Quickly find capable players to participate in a raid/quest.

Source: IBM Institute for Business Value.

As corporate leaders find themselves operating in more virtual environments, many of the tools and capabilities used by game leaders become more applicable.

Navigate instantly to the place where people you want to connect with are located. In a virtual world, instant navigation to common locations allows leaders to get “in front” of their followers to take responsibility for their actions, get to know the team, build trust and create the *esprit de corp* needed for victory. Having a single meeting location gives each member of the team a virtual “place” where they know they can find others without having to waste valuable time and energy.

Accumulate assets and earn status, experience and points. In games, players can earn a variety of rewards that reflect their contribution to the game. Leaders use these incentives transparently 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. Given the scattered and diverse locations of players in the virtual world, finding the right people with the right capabilities on short notice can make the difference in online games. This is particularly true given the voluntary nature of participation in such endeavors. In the corporate world – a similar analogy holds true – finding available talent from around the world to work on new opportunities or fill existing gaps is often a task that many organizations currently find significantly challenging.

View operational status and communication channels simultaneously. Having the ability to view operational status and communicate at the same time allows for the fluid handoff of responsibilities and enables faster decision making. Gaming leaders are also rapidly assessed and ultimately judged based on their visioning, evaluating, collaborating and executing abilities, and less on their political acumen.

Implications

The tools and capabilities that help gaming leaders excel can also inform the leadership strategies of corporate leaders. Operating in a more virtual environment may require business leaders to:

- Take extra steps to overcome physical isolation, help employees see where their strengths lie, get them the right training and project opportunities and remind them of their roles and importance to the team.
- Provide frequent incentives to add some tangibility for those working together virtually, offer status among electronically connected peers, and help them link their everyday actions to corporate goals.
- Take action more quickly by leveraging new realtime communication channels and virtual communities to bring individuals to a central “location” and enable participants to collaborate, evaluate and execute.

Leading in gaming and corporate environments: Is the analogy relevant?

One of the important issues we examined was the extent to which our respondents believed in the relevance of online gaming as a metaphor for the future of leadership within organizations. While the level of buy-in varied, the following results suggest that increasingly virtual corporations and their leaders can benefit from a better understanding of what drives successful leaders of MMORPGs:

- *More than one-third (39 percent) believe that MMORPG leadership approaches can be used to improve leadership effectiveness within the enterprise.* These respondents indicated that the skills and techniques of the gaming leader can be documented and transferred directly to the leadership of the virtual corporation. As one respondent explained, "I believe that the interpersonal, leadership and management dynamics of online games can be learned and developed in games, then mapped directly to a virtualized business environment. This mapping does not necessarily require that the leadership or those being led have experience in online gaming, only that the skills and techniques learned in the game context be used in the business context."
- *Nearly half (49 percent) state that game-playing has improved their real-world leadership capabilities.* In the same way that certain high school and college athletes or class officers gain leadership experience that carries over into the corporate environment, these respondents see opportunities within the workplace to apply techniques practiced and mastered within the gaming environment. According to one respondent, "MMORPGs provide a test of how to work in teams and best utilize the potential of a

particular person even when you do not have formal authority over him. This is similar to...situations where we need to team with colleagues within corporations."

- *Three-quarters believe that the environmental factors within MMORPGs can be applied to enhance leadership effectiveness for the globally integrated enterprise.* Respondents indicated that any tool that enhances the ability of a gaming leader to better collaborate, vision, evaluate or execute – whether that tool be an instant messaging capability or expressive avatar – ought to be applicable to the virtual business world. Said one respondent, "Staying in touch with the members of the team is crucial for success in the game. One important factor is the ability to communicate via chat either in the game or using an instant messaging tool at work and recognizing the mood, intention and goals of the person you are communicating with."

While many agreed that there were close connections between the online gaming and corporate environments, there were some noted dissenters. Some skeptics state that games are played only for fun and that the risks taken have no consequences. Consider the respondent who said, "When gaming, while you do want to win, there is no perceived real-life consequence when something goes terribly wrong...In the real world, any major mistake at a job could cost you that job, or even your career."

Still other participants saw plenty that could and should be adapted from games but doubted the ability of corporations to do so because of risk aversion, insufficient dedication to people, and command-and-control cultures.

Corporate leaders can use a range of communication tools to stay connected with employees in virtual environments.

Said one respondent, “In games, leadership is all about empowerment and risk-taking. Although we’d like to think that parallels business, I don’t think it does at normal management levels.” Another remarked, “Team leadership in corporations is not as concerned with inclusiveness and knowing who the person is.” A third skeptic added, “There is next to no leadership in corporations....in general, corporate culture drives true leaders away. You see, corporations don’t want leaders. They want followers.”

Lessons from the online gaming world: Recommendations for organizations

Based on our study, we highlight six recommendations for leaders looking to increase their effectiveness in a distributed world:

1. Apply virtual communication tools and facilitation techniques to more effectively connect people from around the world. Collaborating in a global, virtual environment requires the ability for individuals to connect with one another. Technologies such as instant messaging, virtual white boarding and videoconferencing can enable realtime interaction, while e-mail and discussion forums can help individuals connect while their counterparts are offline. However, the tools themselves are only one part of the effort. To communicate effectively in a virtual environment, skilled leaders must know how to mediate conflict, draw individuals into the discussion and actively engage appropriate parties in the topic at hand.

2. Use collaborative spaces to gather knowledge, express ideas and concerns and share passions. Another key to collaboration among distributed employees is the creation of centralized spaces for orga-

nizing knowledge and ideas, enabling group meetings, brainstorming or simply “hanging out.” Providing a central location helps individuals avoid the fragmentation of information that often occurs in distributed organizations and creates a “center of gravity” that encourages individuals to participate and contribute.

3. Spend more time on setting organizational context and communicating where the organization needs to go. To create a compelling vision for the future with employees they are unlikely to ever meet in person, leaders need to provide context that enables people to understand their roles within the team and the organization. That sounds simple enough, but when employees are spread around the globe, come from many cultures and speak many languages, it takes some planning and effort to make everyone feel valued and part of the team. Emerging communication channels such as podcasts and blogs can help communicate key messages across distributed environments and engage newer generations of employees in the strategy of the organization.

4. Improve the visibility of both formal and informal skills. In a global business environment, decisions need to be made fast. The leader who has data at the ready to enable the right people to staff the right projects will likely get the best results. While identifying individuals using a formal process is important, having information on more personal factors – interests, hobbies, culture and the like – can improve project team chemistry and help ensure the right blend of skills and personalities.

5. *Use dashboards linked to collaborative tools to capture key realtime information about people, activities and outcomes.* The dynamic global business leader needs to be able to constantly gather, integrate and broker information in realtime to quickly take risks, experiment, stretch the organization and evaluate results. Dashboards that pull data from the right sources at the right time to enable these decisions are increasingly critical to leaders operating in virtual environments.

6. *Provide more frequent guidance and link performance to recognition.* A key lesson learned from the online gaming world is the importance of rapid feedback and a close linkage between performance and incentives. In a virtual world, where people may not regularly engage with their direct manager, it is very important that employees receive regular input on their performance, including areas of strength and needed improvement. Further, recognition vehicles should be put into place so that individuals can more easily see how their actions contribute to the organization.

For each of these recommendations, Figure 5 shows the related improvement actions leaders can take, the technologies or innovations leaders can apply and the benefits leaders can expect from properly executed implementations.

Conclusion

Online gaming provides us with what we believe is a unique look into the future of tomorrow's organization. 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. This has a range of implications for organizations, from the design of leadership development programs to the prioritization of future IT budgets. By leveraging the lessons from online gaming environments, companies can gain a better understanding of the ways in which the next generation of leaders will need to operate in the future.

The journey toward globalization won't always be easy. But we believe, by implementing these recommendations, the game of global business will be more fun, leaders will gain an edge over their competitors, and the odds of seeing the "game over" message flash on the screen will be reduced.

Related publications

For more information on the IBM Global Innovation Outlook, please visit:

ibm.com/gio

FIGURE 5.

Actions, tools and anticipated impact.

Recommendation	Leadership development actions	Tools	Organizational impact
Apply virtual communication tools and facilitation techniques to more effectively connect people from around the world	<ul style="list-style-type: none"> Learn about the features, capabilities and appropriate use of different virtual communication channels Incorporate virtual communication tools into day-to-day work activities 	<ul style="list-style-type: none"> Instant messaging Video conferencing Blogs Voice over Internet Protocol (VoIP) E-mail 	<ul style="list-style-type: none"> Improved employee morale due to enhanced communication and vision-sharing from leadership Faster decision making through an enhanced ability to communicate with experts in realtime Better recruitment success with young, "wired" professionals (and gamers)
Use collaborative spaces to gather knowledge, express ideas and concerns and share passions	<ul style="list-style-type: none"> Develop a level of comfort in using collaborative spaces and tools Identify and champion the use of informal communities of strategic value to the organization Incorporate the use of collaborative spaces into major work efforts 	<ul style="list-style-type: none"> Collaborative spaces Wikis Online communities Blogs Virtual worlds (e.g., Second Life) 	<ul style="list-style-type: none"> Improved project management and knowledge management through centralization and organization of explicit knowledge Increased teamwork and efficiency through use of online spaces for specific projects, meetings or brainstorming sessions Increased visibility and flow of innovative ideas from all areas of the organization Increased ability to evaluate and gauge employee contribution Higher morale and retention through the development of online communities
Spend more time on setting organizational context and communicating where the organization needs to go	<ul style="list-style-type: none"> Create, tailor and communicate a corporate vision and strategy that resonates with a diverse set of employees Develop program to systematically communicate vision globally Develop feedback mechanism to evaluate program effectiveness 	<ul style="list-style-type: none"> Video conferencing Multuser interactive events (live and stored) Large-scale collaborative events Intranet sites Blogs Wikis E-mail 	<ul style="list-style-type: none"> Increased awareness of vision among diverse global employee base Improved morale and retention as employees understand where they fit within their company and where the company fits within the business environment Increased sense of ownership and desire to contribute to vision from engaged employees
Improve the visibility of both formal and informal skills	<ul style="list-style-type: none"> Enable employees to develop personal spaces that increase transparency of employee skills, interests and availability Use expertise locators and skill management systems to staff teams based on skills and availability 	<ul style="list-style-type: none"> Personal employee spaces Expertise locators Skills management systems Tagging Web sites of common interest - folksonomies 	<ul style="list-style-type: none"> Increased speed and effectiveness in staffing teams and projects Increased retention and motivation of top employees through true results- and expertise-driven staffing Greater ability to provide feedback on skill levels
Use dashboards linked to collaborative tools to capture key realtime information about people, activities and outcomes	<ul style="list-style-type: none"> Identify business drivers and metrics that impact decision making Develop dashboards that reflect key metrics 	<ul style="list-style-type: none"> Automated dashboards with realtime data feeds from: <ul style="list-style-type: none"> Expertise locators Skill management systems Employee portals Knowledge databases External and internal data and news feeds 	<ul style="list-style-type: none"> Improved speed and accuracy of worldwide decision making through effective gathering and sharing of data Increased visibility of trends and opportunities Improved forecasting and planning capabilities based on most-recent and most-valuable global data available Improved risk-taking capacity through better data management
Provide more frequent guidance and link performance to recognition	<ul style="list-style-type: none"> Look for opportunities to provide more frequent feedback on employee performance Develop capabilities to recognize individuals "on the spot" and highlight desired behaviors/results Communicate and share recognition among team members 	<ul style="list-style-type: none"> Communication channels that can be used to promote new incentive systems Personal portals and organizational intranets that display achievements 	<ul style="list-style-type: none"> Increased alignment between worldwide employee behavior and leadership goals Appreciation and reinforcement of leadership that provides clear expectations and responds rapidly when expectations are met through financial compensation, awards or promotions Increased retention and morale because employees feel valued by leadership

Source: IBM Institute for Business Value.

About the authors

Michael DeMarco is a Senior Consultant with the IBM Institute for Business Value and focuses his efforts on Human Capital Management. He has 11 years of consulting experience in a range of areas including human capital, financial management and performance measurement. He has authored two books. Michael is based in Lancaster, Pennsylvania and can be contacted at michael.l.demarco@us.ibm.com.

Eric Lesser is an Associate Partner with over 15 years of research and consulting experience in the area of human capital management. He is currently responsible for research and thought leadership on human capital issues at the IBM Institute for Business Value. He is the co-editor of several books and has published articles in a variety of journals including the *Sloan Management Review*, *Academy of Management Executive*, and the *International Human Resources Information Management Journal*. Eric can be contacted at elesser@us.ibm.com.

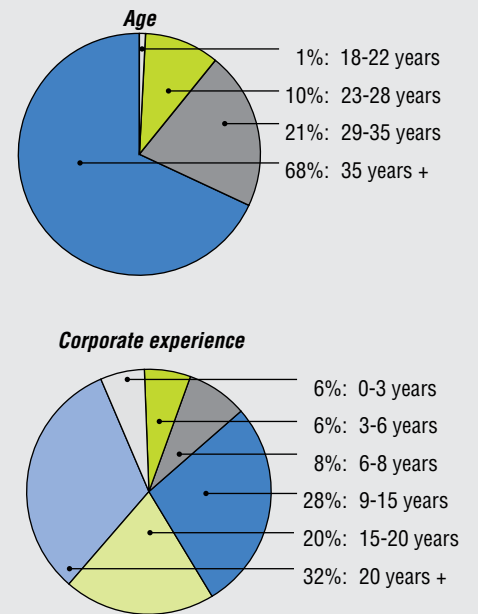
Tony O'Driscoll leads Performance Architecture Analysis and Design for IBM Learning. He has in-depth knowledge and extensive experience in optimizing and managing organizational performance, and he has consulted with business leaders around the world on how to create sustained competitive advantage in an increasingly networked and knowledge-enabled global economy. Dr. O'Driscoll is also an adjunct faculty member at North Carolina State University's Colleges of Management and Education. He currently serves as a Research Fellow for the American Society of Training and Development (ASTD) and as a member of the Editorial Board for *Human Resources Development Quarterly* (HRDQ). Tony can be contacted at odriscol@us.ibm.com.

Appendix 1 – About our study

For our study, we collected 214 survey responses from IBM professionals. Out of the entire sample, 137 respondents have been a member of at least one guild or MMORPG team. Among those MMORPG participants:

- 66 respondents have led at least one guild or MMORPG team; of those:
 - 61 have led more than one business project team
 - 45 have led five or more business project teams
- 71 respondents have been led as a member of a guild or MMORPG team; of those:
 - 58 have led more than one business project team
 - 42 have led five or more business project teams.

FIGURE 6.
Survey respondent demographics.



Source: IBM Institute for Business Value.

References

- ¹ Nelsestuen, Rodney. "Online Social Worlds as Emerging Markets: A Dose of (Virtual) Reality." TowerGroup. July 2006.
- ² "Virtual Worlds, Real Leaders: Online Games Put the Future of Business Leadership on Display." IBM Global Innovation Outlook 2.0 Report. June 2007.
- ³ Ancona, Deborah, Thomas W. Malone, Wanda J. Orlikowski, Peter M. Senge. "In Praise of the Incomplete Leader." *Harvard Business Review*. February 2007.



© Copyright IBM Corporation 2007

IBM Global Services
Route 100
Somers, NY 10589
U.S.A.

Produced in the United States of America
05-07
All Rights Reserved

IBM and the IBM logo are trademarks or registered trademarks of International Business Machines Corporation in the United States, other countries, or both.

Other company, product and service names may be trademarks or service marks of others.

References in this publication to IBM products and services do not imply that IBM intends to make them available in all countries in which IBM operates.