

GIO Podcast Series: An Innovation Conversation about the future of work

Transcript Title: MMORPGs, the Future of Work and Distributed Learning

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Summary: Thomas Malone, Patrick J. McGovern Professor of Management at the MIT Sloan School of Management, and the founding director of the MIT Center for Collective Intelligence speaks about studying the emerging modern leadership trends that are being expressed and developed within online games. A summary of the study, *Virtual Worlds, Real Leaders* is a Global Innovation Outlook 2.0 Report.

Host: Amy Hermes, Global Innovation Outlook, IBM



HERMES: Hello, and welcome to The Global Innovation Outlook Podcast Series, where IBM demonstrates the innovative value of collaboration. My name is Amy Hermes, and today I'll be speaking with Thomas Malone, who's the Patrick J. McGovern Professor of Management at the MIT Sloan School of Management, and the founding director of the MIT Center for Collective Intelligence. Thanks for joining me today, Tom.

MALONE: Thank you. It's a pleasure to be here.

HERMES: Earlier this week, I spoke to Tony O'Driscoll at IBM about a Global Innovation Outlook study that was completed this past year with Stanford, MIT and a startup known as Seriosity, to study the emerging modern leadership trends that are being expressed and developed within MMORPGs, or Massively Multiplayer Online Role Playing Games.

So your work is about the future of work and distributed leadership. What did you learn from the study that informed your research?

MALONE: I think one of the most important changes that I see in the future of work in general is a shift toward

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much more individual freedom in business. In fact, I think this shift toward more human freedom in business is likely to be, in the long run, as important a change for business as the change to democracies was for governments.

Now, I think Massively Multiplayer Online Role Playing Games illustrate this point in the sense that people in these games do have a lot of freedom to make a lot of choices and decisions for themselves as they play the games.

As you know, one of the things we studied in these games was how leadership arises and manifests itself in these MMORPGs, and one of the things we found was that there are some important properties of the environment in these games that make leadership easier, in a certain sense, to do.

For instance, these games provide people, in many cases, enough information about the different choices they could make and the effects of their own actions that they can more often decide for themselves what to do instead of waiting for a boss or a manager or a guild leader to tell them what to do.

HERMES: What do the findings from a study like this mean for the enterprise of the future?

MALONE: Well, we think that the kinds of things that are happening in these MMORPGs are in a certain sense a kind

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of forerunner or early harbinger of things that are going to become more common in many parts of business and many forms of leadership in the future.

So for instance, these games already have highly virtual environments -- that is, environments where many of the players may never even meet each other in person and where essentially all their communications are conducted online in some kind of virtual form whether that's by text or by voice or some other electronic connection.

Most real world organizations today have some mix of physical communication -- that is, face-to-face meetings -- and virtual communication of various sorts. But most real world organizations are moving towards a higher percentage of virtual or electronic communication relative to face to face.

So in that sense, for example, the games give us an early look at how things may be different in many other aspects of business.

HERMES: So how will leadership in large enterprises like IBM, for example, how will they change, and what does it mean for companies like this?

MALONE: Well, we think that one of the things that's likely to happen in large companies -- IBM and many others

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-- is that the electronic environment will allow these companies to design settings or environments in which people can make more decisions for themselves, and they'll have the information they need to know what the effects of their actions would be and what possible actions they could take.

And we think that this will then make it easier for a lot of people to lead themselves in a certain sense -- to create self-organizing teams or self-organizing groups. And it will make it easier for official leaders in these organizations to do what they need to do because people will be able to manage themselves to a greater degree.

HERMES: Well, what's difference between controlling and commanding resources and organizing people around value? Do you think this should be managed by a corporation?

MALONE: Well, one of the slogans I like to use is that we need to move from the traditional view of management as command and control to a much more flexible view of management as coordinate and cultivate.

Now, by coordinate and cultivate, I don't mean the opposites of command and control; I mean the broader set of possibilities of which command and control is just one extreme possibility.

People who are good at coordinate and cultivate management

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are good at adjusting their own management style and their own leadership behavior according to the situation. In some cases they may be very top down and directive; in other cases, they may be very bottom up and facilitative. And people who are good at this style of management are good at moving back and forth along that whole spectrum as the situation calls for.

HERMES: How does leadership work in a volunteer environment?

MALONE: Many people think that today's organizations are not volunteer organizations, but in some important ways even many businesses are volunteer organizations. They're volunteer in the sense that at least some of the people there don't have to be there to make money to support themselves.

For instance, in the nineties when so many Microsoft employees were millionaires from their stock and stock options that Microsoft was a kind of volunteer organization.

And in many companies today most of the professionals may be there in part because they need to earn money to earn a living. But their actual dedication and commitment and engagement in their work depends on much more than the dollars they earn.

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So to actually engage the creativity and the energy and the intelligence of many knowledge workers, many professionals, one needs to manage them in somewhat the same way that leaders of volunteer organizations need to engage people by finding visions, by finding goals for the organization that capture the energy and the interest and the sense of meaning that people in the organization have.

HERMES: I know that you were one of the two founding co-directors of the MIT research initiative called, *Inventing the Organizations of the 21st Century*, which is about understanding emerging ways of working and how to invent entirely new and more effective approaches and putting them into practice. Is there anything from this gaming study that helped you shape new thinking in this area?

MALONE: Well, we think the gaming study is a very interesting opportunity to look at how things are changing, to learn lessons from online games that help us understand how business will be different in the future.

We found, for instance, that these online games give more people more opportunity to make decisions for themselves, which is something we think will become more common in the organizations of the future.

We found that these online games include many features in

the environment like online economies that give people signals about what they need to do. These online games provide various kinds of virtual currencies that can be used not only to buy and sell assets in the games like swords, or costumes, but these online currencies can also be used by the guild leaders and other people you might think of as managers or leaders in the games.

These currencies can also be used by them as a way of motivating and providing incentives for people to play important roles in the teams -- often called guilds, for example.

So we think this is one example of a kind of organizational structure or organizational process that's likely to become more common in the real business organizations of the future.

HERMES: So after this study, what's next for us to look at in this area?

MALONE: One of the things I'm very excited about is the topic that we call collective intelligence. I think that in a certain sense collective intelligence has existed for thousands of years, at least as long as there have been humans.

But I think that in the past few years we're beginning to

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see examples of things that never existed before. I think of Google, for instance, as an example of collective intelligence.

And by this, I don't just mean Google the company; I mean the whole system of which Google is a part, that is, the millions of people around the world creating Web pages and linking those Web pages to each other, the Google algorithms that analyze those Web pages and their link structures, the Google technology on which those algorithms run.

All those things together combine to provide amazingly intelligent answers to the questions we type in to the Google search bar.

At the opposite extreme is Wikipedia. In this case, what I think is really surprising, is the organizational design or the organizational structure that allows [audio recording ended here. I didn't hear the rest of what is transcribed below...]thousands of people from all over the world to collectively create a very large scale and very high quality thing that is an online encyclopedia, but to do that with almost no centralized control and as volunteers... So I think the organizational design that's made that possible is truly amazing.

In fact, the question we ask ourselves in the MIT Center for Collective Intelligence, is how can people and computers be

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connected so that they act more intelligently than any person, group or computer has ever done before?

HERMES: Tom, thank you so much for your time. I really appreciate you getting involved in doing a podcast today.

MALONE: Well, thank you.

HERMES: For more information about the Global Innovation Outlook and this gaming study, please visit www.ibm.com/gio.

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