IGDA Business Committee

- Best Practices in Human Resources -

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The IGDA Business Committee

The IGDA Business Committee's mandate is to empower the development community with business knowledge and in the process allow developers to make better games.

The goals of the Business Committee are as follows:

- Enable developers to build stronger, more successful companies
- Provide knowledge and business support resources
- Increase the perception of game development as a credible business and raise the profile of game developers as viable companies
- Improve the publisher/developer relationship
- Improve the retailer/developer relationship

Additional information on the IGDA and the IGDA Business Committee can be found at

http://www.igda.org/biz/

http://www.igda.org/committees/business.php

http://www.igda.org/committees/business_members.php

The Best Practices Roundtables & Reports

The Best Practices Roundtables & Reports are one of the 2003 initiatives of the Business Committee of the IGDA. The end goal of these roundtables is to prepare a summary report on each topic for distribution to the game development community via the IGDA web site. In sharing this best-practice knowledge, we hope that developers will thereby be able to improve their human resources, schedule their projects more efficiently, work with their publishers to optimally market and promote their games, improve quality assurance testing on their games, and bring greater financial stability to their companies. The five topics covered in 2003 were:

- Best Practices in Human Resources
- Best Practices in Resource Management/Scheduling
- Best Practices in Promotion/Marketing
- Best Practices in QA/Testing
- Best Practices in Finance

Additional information on the Best Practices Roundtables can be found at:

http://www.igda.org/biz/best_practices.php

Overview

The Human Best Practices Roundtable was held over two one hour sessions, March 6th and 8th, 2003. We had dozens of topics ready to offer up for discussion in the event that participants did not come with particular areas of interest of their own to explore. Major topics included: Strategic Planning and HR, Compensations and Benefits, Hiring, Performance Management, Company Culture, Keeping it Legal, and others.

Several non-HR participants attended the session. Marketing people came as well as CEOs of both from newly created and established companies wanting to glean some HR expertise. Lawyers who specialized in immigration law participated shared their expertise. A number of students and hopeful employment candidates came hoping to gain some insights into "how HR people think" in the hopes of gaining some advantage for interviewing purposes. This mix left only a few company representatives who were able to actively participate and less of an exchange of HR Best Practices occurred than hoped.

The roundtable showed the game industry is still uncomfortable with Human Resources. Some developers were proactive and focused: at these developers, HR was definitely involved in senior management decision-making and strategic planning. In other cases, the HR function was still undervalued and underappreciated within companies – if it existed at all. In one such case a large company just removed HR from senior management. Clearly, participants of the roundtable want to raise the profile. They felt the single biggest differentiator between a good company and a great company is how they manage their human capital. The industry is young and mobile and needs someone to champion the talent, maximize the human capital and manage their treatment. Finally, there was a great distinction in needs between the larger companies of over 100 people and the smaller developers. Larger companies often had one person or more dedicated to Human Resource needs, the person in the smaller company often wore a number of hats. The practices vetted below reflected this distinction. For instance, a larger company could afford to have a separate recruiter with all the accompanying focus and expertise, where as a smaller company would have to rely on a single person, often an office manager, to coordinate all the planning. To be most effective next roundtable sessions could present best practices awareness of differing company sizes.

Note: The IGDA is trying to start a HR mailing list for professionals in the industry to further conversation about best practices, get advice from others and explore different approaches to thorny HR problems. Membership on this list is restricted to limit job seekers and advertisers access. To sign up, please go to www.igda.org/hr_list.

Best Practices were organized around the following format:
- "Name" of the best practice
- Description of the best practice
- Pros
- Cons
- Other successful alternatives or variations

Best Practices

Mandatory meetings with producers and department managers

Description: Make regularly scheduled, mandatory meeting times with producers and other department managers to discuss individuals and their performance, training needs, succession planning possibilities, etc.

Pros: As the HR person, to avoid surprises, you know what hiring or firing is being considered - this allows you to proactively plan for succession planning, allows HR to coordinate resources, coach managers through HR issues, etc.

Cons: People hate meetings; HR is often thought of as bureaucratic; department managers and producers can become overly reliant on HR; managers dump their problems on HR and expect HR to just clean up their mess versus actively working through the issue to resolution.

Alternatives: Using email and good follow up.

Recruiting – The Process

Description: It is a well known pet peeve of HR managers that hiring managers try to begin the hiring process for a candidate with only a vague idea of what exactly they are looking for. Even when job descriptions are available for them to refer to, they must be reminded to use the job description as a reference tool. Otherwise they are wasting everybody's time – HR, the candidates' and their own. Hiring managers must review what it is that they're looking for. Each year, requirements and criteria change. Post all jobs on company web site so that everyone knows about it and can apply or refer the vacancy to somebody else who might be qualified. Once you have a candidate, conduct behavioral and technical tests first, then do a telephone screening, then bring them in for a face-to-face interview.

Pros: The advantage of testing people first is that there are no surprises later around their technical competence. It makes the recruiting process tighter and more quantifiable and having a consistent process makes recruiting consistent across all departments.

Cons: Small studios can't always do something that extensive and labor intensive, some people get left out of the process, some people who are not technically stellar get eliminated from the recruiting process who might otherwise be great additions from a cultural work ethic perspective. The team can feel resentful if they are not all involved in the selection of a future team member.

Alternatives: Some sort of hybrid solution between a lengthy, comprehensive process and no process.

Open Book Management Style

Description: Sharing information such as contract and financial information with employees so that they understand the decisions that are made and the ramifications of those decisions. Through this process, employees also learn about the business, which is more than just the creative endeavor. It involves making strategic decisions to bid or pass on contracts that are aligned with business and strategic business models.

Pros: People understand where the money comes from and goes to; they understand what happens at bonus time and why it does or does not get paid out. People become better informed about the business and feel more inclusive and entrepreneurial about their contribution and impact. Employees move their focus from just their job to looking at the company as a whole.

Cons: Without constant education employees misunderstand and misinterpret what the numbers mean. For instance, employees may not understand why there may be money in the bank yet the company will not pay out a bonus. The work involved is tremendous and ongoing. Teams become resentful of other teams who are working on more lucrative projects.

Alternatives: Keep the information only for management level employees or others who have P & L responsibilities and let the people responsible for making games, make games.

Bonuses

Description: Paying our bonuses or having any kind of variable compensation plan can be either an incentive or a distraction, depending on how it is administered and communicated. Bonuses must be designed in such a way that people understand that there is no payout unless the company hits a certain level of profitability. Then, additional criteria can be the team's success and the individual's success.

Pros: It is based on performance (versus profit sharing), criteria is consistent for everyone, it anchors employees to the success (or lack of success) of the company, brings the necessity of profit into their reality, makes people more team focused.

Cons: If not communicated well, the success of one team and therefore larger payout, can be perceived as not fair. People can feel that they are not in control of the external factors that may impact the bonus in a given year (e.g. the economy).

Alternatives: Profit sharing, stock options, other non financial-based incentives, a great communication plan for when you do have a bonus plan.

360 Degree Performance Management Feedback System

Description: This system, which solicits feedback from boss, peers and direct reports if there are any, has been increasingly embraced as the best of all available methods for collecting performance feedback. Gone are the days of working hard to impress only one person, now the opinions of all you touch in the course of your workday matter. The feedback is therefore inclusive and every person on the team is responsible for giving relevant feedback, whether positive or constructive.

Pros: The 360 process allows for multiple points of view to be given on any given individual. It neutralizes what might otherwise be one rater's bias (either positive or negative) and helps to paint a more comprehensive picture of that individual's performance. For example, a person may work very hard all year to impress their boss because that boss controls their opportunities for advancement, salary, etc. but meanwhile that person alienates everybody else on the team, feeling that their perceptions of him are not important because they have no bearing on his career. This is certainly not the case with the 360 degree process. Also, because feedback is collected from multiple sources, the process must be formalized to ask consistent and well thought out questions. These questions require a great deal of forethought and must be able to capture relevant information or the integrity of the entire process is compromised.

Cons: The process requires a great deal of forethought into the design and method of collecting data, execution, guarantee of anonymity, training people on how to give feedback, etc. Ideally you need a consultant to help you design and customize a product to your company and culture. If you have the resources internally you could allocate some IT staff to design and support the software, otherwise this can be an added expense on top of the consultant's fee to design the whole thing for you in the first place. Because our people are generally young, they must be trained to give feedback that is positive as well as constructive and always relevant. No personal slams, no fear of retribution if their identity is revealed somehow, use examples so the person benefits from the context of the comments, use integrity and maturity in the feedback, appreciate the opportunity to help the person to whom you are giving feedback grown to become a better worker as a result of your input. Even positive feedback is something that some people must be taught to give. The whole issue of anonymity is another hurdle in the learning curve around 360. I have taught our people that ideally, their comments wouldn't even need to be anonymous since if you are giving factual data based on actual examples and their observations reflect the person's performance and not the individual, and if they are making their comments with honesty and integrity, and in the genuine interest of helping this person to be a better programmer, artist, what ever, then there is no reason to be afraid of saying what there is to be said. Lastly, 360's take longer since they rely on a number of people to make the time to write and submit the feedback. Then the feedback needs to be collated.

Alternatives: Traditional one-on-one reviews, or no reviews.

Hiring Temporary Workers

Description: Due to the nature of our business and the long production cycle which requires head count flexibility, the hiring of temporary workers is seen as the most creative, cost effective method to increase efficiencies around the ebb and flow of the production cycle.

Pros: Temporary workers can be a win / win situation. They come in when you need them, their work (ideally) is based on specific deliverables, they may be paid a premium in exchange for their short term work schedule but they do not become eligible for benefits and therefore do not contribute to claims experience.

Cons: Often the "temporary" workers end up in the building for what ends up being months. They fall under the headcount radar and are not perceived to be costing the company money, therefore budgets can be misrepresented. Also, temporary workers are denied benefits, training and other perks under this status when actually they should probably be considered for a more full time position after a certain number of months (six was the suggestion) or be deemed no longer temporary. It is not considered ethical to deny them benefits and other perks as temp workers after a certain period of time has passed and they are clearly no longer temporary.

Alternatives: Tighter administration around the term "temporary".

Keeping it legal

Description: Put together a list of organizations you can turn to for legal advice in the ever-changing world of HR. References should at least include membership in a national human resource organization (like Society for Resource Management and the Human Resource Planning Society), and links to your national, state or provincial government.

Pros: Keeping up to date, and having on hand resources adds tremendous value to a HR department. The cost for joining a National Association is about two hours with a lawyer that can easily be recouped by avoiding the first legal crisis.

Cons: Joining national HR organizations is expensive and can tax a smaller developers funds. Also keeping up with the flow of information and ever-changing laws is overwhelming.

Alternatives: Outsourcing to either a lawyer or professional HR firm.

List of Participants

(Note: more people attended the sessions than are listed below, but not all filled out the sign-in sheet)

Name	Title	Company
Paula Fellbaum	Dir. of Human Resources	Relic Entertainment
Harry Glantz	Sr Vice Pres. Human Resources	Infogrames, Inc.
Raison Varner	Composer	Straius Music
Robert Walsh	C.E.O.	Krome Studios
Konrosh Korimtory	Journalist	Wired Magazine
Howard Shapiro	Partner & Lawyer	Mitchell, Silberberg & Knupp
Stuart Hay	Director QA	Vivendi Universal
Scylla Costa	Co-Founder	Jynx Playware
Sandy Klausen	Human Resource Director	Sony Online Entertainment
Regina Arcinas	Human Resources Manager	Konami
Karyn Mason	Director Human Resources	Konomi of America
Amber Liu	COO	Gamania
Phil Weeks	Sr. Engineer/Operations Mgr	Idol Minds
Brian Robertson	President & CEO	Ternary Studios
Labrina Gayton	Sr. Human Resource Rep.	The 3D0 Company
Isabel Meunier	Human Resource Director	UbiSoft
Andree Cossette	Human Resource Counselor	UbiSoft
Didier Malenfant	Programmer	Naughty Dog
Gina Caruso	Human Resource Director	3D0
Michael Reifers	Director Human Resources	OddWorld
Mark Tymnski	CEO	City Interactive
Francois Dominic Laramee	Freelance Writer	Freelance

About the IGDA

The International Game Developers Association is the independent, non-profit association established by game developers to foster the creation of a worldwide game development community. The IGDA's mission is to build a community of game developers that leverages the expertise of our members for the betterment of the industry and the development of the art form.

Visit www.igda.org for more information.