

**Human Resource Forum:  
Trends & Directions**

**GDC '04 Tutorial**

**Coordinated by**

Hank Howie  
President  
Blue Fang Games



Clarinda Merripen  
Director of Operations  
Cyberlore Studios



CYBERLORE.

With facilitation from the IGDA



*Human Resource Forum:  
Trends & Directions  
Bios*

**Coordinators**

Hank Howie

President, Bluefang Games

Having been a "gamer" for most of his life, Hank was formally introduced to the business of computer games in 1989, when he joined Spinnaker Software as the product manager for their Entertainment division. After three years of product management and group product management at Spinnaker, Hank joined Toshiba America Computer Systems, where he was regional sales manager for Toshiba's laptop division (yes, laptops). He returned to the game industry in 1993, as Director of New Product & Business Development for Interchange GameSpace, the Ziff-Davis/AT&T online, multi-player game service. Shortly after the Interchange service was sold to Nets, Inc. in 1996, Hank joined Restrac, Inc. as the General Manager of their Internet Division, where he launched and managed their Internet product line. When Adam and John asked him to join in August of 1998 to run the business, he couldn't resist, much to his poor wife Kathy's chagrin -- she thought he was over that stuff. Hank received his BA from Bates College, and his MBA from the Boston College Graduate Management School.

Clarinda Merripen

Director of Operations, Cyberlore Studios

Clarinda Merripen coordinates finance, IT needs, human resources and facilities at Cyberlore Studios by bringing its guiding principals into play. Her specialty is incorporating strategic influences into everyday activities paying particular attention to things that keep the employees healthy, wealthy and wise. In her six years at Cyberlore, she has been actively involved in the growth of the management group, the creation of a solid fiscal infrastructure, and shepherding the company into a dynamic and constructive human resource policy. In 1983 she graduated from Phillips Academy in Andover then matriculated from University of Massachusetts at Amherst with a major in Women's Studies and a minor in Computer Science. In her youth she published both a book of poetry and photography, held dozens of three-day long live role-playing events for 150 people, and worked with emotionally disturbed teens. She then became the Membership Coordinator for the National Association for Mediation in Education (NAME) following which she took several years off to alternately create, invent and forge her family. Today she is an active member of the Int'l Game Developer's Association (IGDA), and participates on the committees for Business, Women in Game Development and Quality of Life. In 2003, she garnered international acclaim while speaking at Game Developer's Conference on "Profiling the Female Gamer."

**Panelists**

Eleanor Clarke

Head of Human Resources, Havok

Eleanor is responsible for the Human Resource function at Havok. In particular, she develops best practice policies and procedures in the areas of recruitment, performance appraisals, employee communications, remuneration, training and development. Eleanor graduated from University College Dublin with a Master's degree in Human Resource Management. She

previously worked as Project Development Executive for the Dundalk Chamber of Commerce (Ireland).

#### Mike Dornbrook

Executive Vice President and COO, Harmonix Music Systems

Industry veteran Mike Dornbrook recently celebrated his 24th anniversary in the computer games industry. He began his career in 1979 with the inception of Infocom, where he started as the tester for Zork I. Subsequently he founded the Zork User's Group, created The New Zork Times newsletter and the industry's first hint books, InvisiClues. He then headed up Infocom's marketing through most of the 1980's, launching over 40 top-ten best sellers, and is particularly proud of championing The Hitchhiker's Guide to the Galaxy and Leather Goddesses of Phobos. Before joining Harmonix, he was co-founder and President of Boffo Games, best-known for The Space Bar. For the past 6 years Mike has been at Harmonix Music Systems, best known for Frequency, Amplitude, and Karaoke Revolution. Mike is Harmonix's COO, responsible for Sales, Marketing, Finance, Legal, HR, and all the other boring stuff.

#### Steve Martin

Chief Operating Officer, Firaxis Games

For almost two decades, Steve Martin has been successfully managing business finances and operations for a variety of companies. He joined the rapidly growing computer games industry in 1994, as Controller for Microprose Software, Inc., a \$60 million developer and publisher of computer games. He then went on to found Absolute Quality, Inc. (AQI), an international software testing and technical support center specializing in game platforms. In his 6 years as Chief Financial and Administrative Officer, Steve grew AQI's employee base from 16 to over 200, expanded operations internationally, and increased the company's business to \$10 million, averaging greater than 100% growth each year.

In 2002, Firaxis Games, a world renowned developer of top-selling computer games, appointed Steve Chief Operating Officer, in charge of the overall operations of the company. With his phenomenal management skills and keen financial sense, Steve has built upon Firaxis's solid foundation and elevated the company to new fiscal heights in just two short years. He secured a multi-year, multi-product development deal with Atari, Inc, (one of the largest interactive entertainment publishers in the world), increased the number of product development teams in the studio, managed the facility's expansion from 13,000 sq. ft. to 28,000 sq. ft., and successfully released both Civilization III: Play the World and Civilization III: Conquests within 24 months of development.

In 2003, Steve Martin was honored by the Baltimore Business Journal in their prestigious "40 Under 40" selection, recognizing him as one of Maryland's most prominent young business leaders.

#### Leah Rubin

Director of Human Resources, Radical

Lea Rubin joined Radical in 2000. Ms. Rubin is responsible for meeting Radical's growing human resource needs by ensuring the attraction, retention and development of quality staff. Ms Rubin also provides direction and leadership support in all human resources and employment

best practise matters. She holds a Bachelor of Arts from the University of British Columbia, a diploma in the Management of Human Resources from the British Columbia Institute of Technology and recently completed her HR graduate certificate from Royal Roads University. Ms Rubin brings over 13 years of human resource management experience with her, including senior HR positions in retail, hospitality and banking. In the past three years, Radical Entertainment has twice won the prestigious "Canada's 50 Best Managed Private Companies" award, and last year won "The Best Company to Work for in BC".

### **Closing Lecturer**

John Malenic

Director of Human Resources, NVIDIA Corporation

In his first year at NVidia, John Malenic restructured and managed staffing and began the building of an HR generalist organization. Subsequent to that effort, he's been focused on growing that generalist organization and function. As of this writing, he is continuing that effort as well as working on international projects. Prior to NVIDIA, he consulted for about a year or so, primarily for dotcoms. John has over 20 years of HR experience, mostly in high tech companies, having worked for Games.com (part of Hasbro at the time), IPAC (semiconductor packaging company), Cisco, Apple (and Claris/FileMaker), Mervyn's and Macys. John holds a BA in Psychology.

### **Notetaker**

Mia Consalvo, Ph.D.

Assistant Professor, Ohio University

Mia Consalvo is an assistant professor in the School of Telecommunications at Ohio University. Her research area includes the study of new media and popular culture, with a focus on the digital games industry. Her current work examines women gamers as well as the growing peripheral aspects of the game industry, including publishers of strategy guides, creators of technological 'enhancements' such as the GameShark, and player-created versions of the same items.

**Human Resource Forum:  
Trends & Directions  
Agenda**

10:00 am – 10:15 am

Welcome & Agenda Review (Hank Howie)

10:15 am – 11:00 am

Strategic Human Resource Management (Clarinda Merripen)

11:00 am – 11:15 am Coffee Break

11:15 am – 12:30 pm

Panel: A Snapshot of HR in the Game Industry

(Moderator: Hank Howie, Panelists: Eleanor Clarke, Mike Dornbrook, Steve Martin, Leah Rubin)

12:30 pm – 2:00 pm Lunch

2:00 pm – 3:00 pm

Q&A: A Snapshot of HR in the Game Industry

3:00 pm – 4:00 pm

Group Work:

- Current problems and issues in Human Resource Management
- Creating Solutions

4:00 pm – 4:15 pm Coffee Break

4:15 pm – 5:00 pm

Group Work (Continued)

5:00 pm – 6:00 pm

Closing Lecture: Managing Performance (John Malenic)

# Strategic Human Resource Management

Clarinda Merripen  
Director of Operations  
Cyberlore Studios

## Agenda

### HRM: The Good, The Bad and Beyond

Cornerstones

A Grand Plan

Acknowledgements

### The Good, The Bad, and Beyond

#### The Good, The Bad and Beyond: Good Human Resource Management

- Knows that the majority of its' company's capital is spent on people
- Has a "seat at the table"
- Defined by encouraging each employee to reach beyond their written job description
- Creates & Maintains Policy concerning:
  - Recruiting
  - Training
  - Benefits
  - Budgets
  - Discipline
  - Legal Issues
  - Compensation

#### The Good, The Bad and Beyond: Bad Human Resource Management

- Relegated to the level of administrator
- Maintains the mistaken idea that it is the employees' advocate arguing for unnecessary and costly programs
- Becomes management's mouthpiece without understanding the costs of policies on the productivity of the employees
- Surfs the cutting edge to the detriment of consistency
- Maintains a "this is the way we've always done it" attitude

#### The Good, The Bad and Beyond: And Beyond

- Brings planning and understanding to action in a measured mature fashion
- Aligns its programs to it's company's needs
- Understands it's company's business culture, philosophy, and financial needs and goals
- Tailors its knowledge, advice, programs and work focus on the fiscal and cultural well being of its company
- Measures its results in order to make changes

#### The Good, The Bad and Beyond: And Beyond

- It is no easier or harder to put "Great" Management in place than

“Good” or “Bad.”

The Cornerstones

- The Right People On Board
- The Company

The Cornerstones

The Right People On Board

- Looking Up – CEO, CFO and COO
  - They must understand HRM in economic terms – i.e. people can provide sustained competitive advantage
- Looking Across – Manager’s and Supervisors
  - They must understand only solid, consistent and proactive management of human capital is the only way to insure productivity, eliminate disruptions and avoid crises.
- Looking Inside You & Your Department
  - You must have the patience and passion to go beyond your comfort zone to explore fiscal, cultural, and philosophical unknowns

The Cornerstones

The Company

- Know your organization:
  - Mission
  - Culture
  - Fiscal Standing
  - Current Industry Position

The Cornerstones

The Company

- What the desired future is for that company
  - The Industry Outlook
  - Detailed Vision
- How that company wants to get to that place
  - Methods
  - Current Focus

A Grand Plan

- Defining Strategic
- The Human Capital Mission
- Beliefs & Visions
- Components
- Tactics
- Measurement

A Grand Plan

Defining Strategic

- A map that defines a course of action over a period of time toward a specified goal
  - A tool that focuses time and resources
  - A bible that guides decisions
  - A skeleton to hang everyday tactical lists from
- Funnel
  - From Mission to Tactics

#### A Grand Plan

##### The Human Capital Mission

- A Mission Statement is the guiding principle
  - A statement of the role, or purpose, by which an organization intends to serve its stakeholders.
  - Articulates HR's essential nature, values and work.

#### A Grand Plan

##### The Human Capital Mission - Example

- “At Cyberlore we are committed to attracting, developing and motivating people to create the best games they can make. We understand that it is through our people we create a company which operates with the highest professional standards and is highly respected and sought after in the industry. Our job in management is to structure the opportunities, workspace, and time to allow our people to focus on creativity and productivity. We create a community that exists in balance – personal achievement with teamwork, external pressure with internal freedom, and work time with family life. Using a combination of professional challenges, thoughtful and honest feedback, financial gain and creative integrity, we inspire our employees to greatness.”

#### A Grand Plan

##### Beliefs or Visions

- Visions
  - Where you want to go
- Beliefs
  - Guiding Principles

#### A Grand Plan

##### Beliefs or Visions - Example

- The best people produce the best results
- Great people want to work with great people and will attract more of them
- Every staffing decision is an opportunity to improve our workforce and, thereby, our business results
- Developing our people will allow the majority of our leadership assignments to be filled internally

#### A Grand Plan

##### Beliefs or Visions - Example

- A healthy infusion of external talent at all levels brings new thinking to the organization

- A high performance, respectful work environment is the best classroom, and the best lessons are those of experience
- Communication and teamwork are what makes or breaks our company

#### A Grand Plan

##### Beliefs or Visions - Example

- Up and downtime need to be balanced
- Coaching and feedback are essential drivers of performance improvement and individual development; supplemented by formal training
- Rewards are merit based with the highest performers receiving the highest rewards
- Recognition of success is valued in our culture

#### A Grand Plan

##### Components

- Choosing Focus
- Limited Time – One Year
- Pick your battles carefully
  - Three or less
- Short and Concise
  - Each Component should be one or two words

#### A Grand Plan

##### Components - Example

- Cyberlore's HR Components
  - Hire
  - Develop
  - Motivate and Retain

#### A Grand Plan

##### Tactics

- Define Desired Future
- Path Planning
- Timeline
- Measurement

#### A Grand Plan

##### Tactics – Drilling Down - Example

- Desired Future
  - A company-wide approach to recruiting, assessment, and selection consistent with Cyberlore's core values and consistent in process.
  - Timeline: one year
- How Cyberlore will get there
  - Further streamline the hiring process
  - Clearly identify the hard and soft qualifications for each position and narrow the pool using those criteria

- Train managers on hiring techniques
- Review: March 2005

#### A Grand Plan

##### Tactics – Drilling Down - Example

- How Cyberlore will get there
  - Clearly identify the hard and soft qualifications for each position and narrow the pool using those criteria
- How Cyberlore will get there
  - Work with Production Managers to create Posted Hard and Soft Skills Matrix posted on Intranet
  - Create standard format for Job Descriptions
  - Publish job descriptions to all involved in hiring process at earliest stage to tailor questions to meet those requirements

#### A Grand Plan

##### Measurement

- Don't mistake a check mark for measurement
- Evaluate, Act, Report
  - Return on Investment (ROI)
    - Industry Standard Measurements
      - Time-to-fill (time-to-acceptance)
      - Hiring manager satisfaction
      - Turnover
- Review, Revise, Recycle

##### Acknowledgements

- “. . . . On Becoming a Strategic Business Partner” Lecture by Barbara Kenny
- Good to Great: Why Some Companies Make the Leap...and Others Don't Book by Jim Collins
- “Human Capital Alignment and How it Works” Webinar by Jac Fritz-enz
- Society for Human Resource Management [www.shrm.org](http://www.shrm.org)
- Workforce Management [www.workforce.com](http://www.workforce.com)

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#### **Question and Answer Session for Clarinda:**

Q: How big is Cyberlore? How has that changed over the years?

A: About 30-35 people. We've been at about 30 people since I've been there.

Q: Who deals with employees?

A: We have a dual matrix system. The managers review the employees; all the feedback is reported to upper management as well. The employees review themselves. Managers review, and then it's taken to CEO. We make a lot of changes based on reviews.

Q: What format are the reviews?

A: 3 a year. Self-created form. People spend about 30 –45 minutes; used to be just yearly; but the more a year, the quicker they are done.

Q: Is Cyberlore a group company?

A: No- it only has one location.

Q: How did that measure you mentioned link to productivity?

A: We're looking at recruiting and how effective it is. You would first look at the situation prior to hiring and vacancy. Divide your gross income by the number of all employees; and then divide that by your number of working days. Then compare that measure with the same equation done during vacancy period, and then again after position is filled. Ideally you want to see the line/figure trend upward. It becomes a dollar sign figure. Over time, you can see: back, during that time, and afterward, and it should theoretically over time be larger.

Q: Does better efficiency mean better working time?

Q: Wouldn't there be a lot of factors that affect that?

A: Yes, but we should use numbers to help face reality too.

Q: If I add another employee and sales go up, it might not be related.

A: Yes, that's true. There are a ton of measures. Not all measures will work for you. Need to see what you will get out of it. Example: Is hiring manager satisfied with that person? Survey could be implemented.

Q: Do you have suggestions about level of commitment to growing and training HR employees?

Ex: talk to employees about HR, business.

A: One suggestion is that you make them look at numbers. Explain and educate. Cyberlore has open book management system. Every employee knows when money is coming in, how it's spent. Might not be right for every company. Education is key. Talking with CEOs, about strategy levels. Need to evaluate people to see if they can think that way. It can be easier to be a tactical person. You need to see if the person in charge of HR wants to grow that way. When you find someone passionate they will follow along.

Q: To add to your comments: we are a large company, make casino games. We've deployed our HR people to the business units. They sit along. We have 6000 employees internationally. Even where we have 2500 people, the HR people sit with game designers, business people, get first hand business experience and knowledge. Don't sit in HR dept.

Q: You are using some broad brush terms: defined by encouraging each employee. "encourage" means many different things.

A: Good HR uses broad brush terms. But Great HR gets down to nitty gritty specifics. Like programming, programmers don't like to do documentation; Good HR gets it at some level;

Great HR knows it can't be left to everyone's definition. If it's documentation you want to bring forward, or a tech tendency, you need to create programs that bring it out.

Q: In a company your size you have the luxury to use 'encourage' in certain ways.

A: Good is what get people not to change to great. Good is the space where a lot of HR programs start. You want to end up with much more specifics and detailed plans.

Q: Can you give an example of how you encourage each employee?

A: First, figure out what it is each department is working at. Designers: communication structures. Right now Cyberlore is struggling with having meetings w/designers: one or two people decide something and it's never written down. So you end up with a vague idea that someone changed something, maybe to do with the interface. What I want to do is, look at the actual problem. We need to have better structures for meetings; publish notes every time. Maybe it's that meetings can't be held w/o agendas posted on the web.

Q: If great is where you want to go; you should at least subsume all of the good things?

A: Yes, absolutely

Hank: How many people have HR at their company?

A: [About 8 or so hands raised.]

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**11:15 am – 12:30 pm**

**Panel: A Snapshot of HR in the Game Industry**

**(Moderator: Hank Howie, Panelists: Eleanor Clarke, Mike Dornbrook, Steve Martin, Leah Rubin)**

PANEL:

(moderator: Hank Howie; panelists: Eleanor Clarke; Mike Dornbrook; Leah Rubin)

Introductions: Mike Dornbrook, exec director of Harmonix Music Systems, from 18 to 52 people right now. Been there about 6 years. Do primarily music-based games. Been in industry for 25 years. Eleanor Clarke, based in Dublin. Does HR internationally- US and European. Roughly 20 employees in Dublin, but a few in Europe, and some in US- east and west coast. Havok is a middleware provider, so a little different. 40 people in total, around the world. Leah Rubin director of HR at Radical Entertainment. It's 13 years old, about 180 people. We're the largest privately held developer in North America. Clarinda is sitting in for Steve Martin, of Firaxis, who couldn't be here.

*Question 1: Defining HR: What does "Human Resources" mean at your company and what do you do? In other words think about your average workweek. What takes up most of your time?*

Mike: HR doesn't take up the majority of my time. Generally, for me, legal, dealing with contracts and finances take up most of my time. There are certain time periods, like Jan and Feb, when we doubled our size, so I was dealing with people, when HR took up about half my time. That's a peak for me. We don't have anyone that has sole responsibility for HR. Our office manager/receptionist/bookkeeper takes care of that; does training of new employees. We're not as organized as someone would wish, but it's been working well. We're probably at that 'good' level right now.

Eleanor: it's quite amazing that I'm the 14th employee- the founders took on HR [early]; they very much had a vision for the company to scale and grow. My role has evolved, after the first GDC, I organized a party. My role went from making the company a good place to work to something more strategic. My role is a generalist- I do hiring, performance reviews, benefits, remunerations. With a small company there's more flexibility. Now my time is taken with, we're investing in soft skills for some of our team leads. We're investing in coaching and a plan for that. We're also recruiting and you wouldn't believe how busy that gets.

Leah: In a company of 180 we have 3 dedicated HR resources. The HR function comes down to attraction and retention. We have one person dedicated to resource recruiting. We have one person dedicated to retention function. That leaves me some time to be more strategic- where Radical should be in 3 years. Daily I'm iterating and innovating daily processes in the building.

Clarinda: At Cyberlore HR has manifested and grown. When I look at finances and retention,(if you're familiar with flexible spending accounts), both apply. Looking at weekly managers meeting, an hour is spent on particular employees hiring decisions. During hiring season, my time is spent finding the best person/people possible. When I've taken on the operations piece I've been able to see how HR is woven into the company, and a lot of things I used to do were given to dept managers. I'm the impetus but not the person who does all the work.

Hank: Blue Fang has about 30 people. We don't have a dedicated HR person. When Clarinda was doing her presentation, a lot of those things, we do, but it's not formalized or written down. I don't have to do a lot of justification to upper management, anyway.

*Follow Up Question: What do you think are the 2 or 3 most important functions of HR?*

Mike: primary function is really finance. Second is dealing with legal issues- suppliers or publishers. HR was, we have such a good management team, it kind of takes care of itself. In regards to hiring, we have art guys, one came through RISD, can identify good students to hire. Haven't been that involved. Mostly what I do is deal with benefits and 401k plans. Dealing with visas.

Eleanor: we really think that coaching is the most important. Developing the skills that we have internally. With regard to having a HR function, moving from the starting point, to putting in structures and procedures, you go to a stage of hiring, it's really important to introduce salary scales, a career structure, a hiring procedure. Those structures were important. From the start, one thing that's important is how much HR is a driver of the culture. You are a part of the team. So it means that people aren't afraid to address things early on.

Leah: To coach managers to stay out of jail. Before me they had no real help in hiring/firing. I coach them in best practices of management; how to stand out as a best practices employer. A few years ago we won an award for best practices. It's not only HR people that don't understand the business- developers (artists/programmers) can be the same. Part of our performance management is not only about how they've done, but how they've measured up to objectives for the company; and making personal objectives to help propel the company forward. Without them we don't get there.

Clarinda: I try to get the best people in the best place. Creating a process that looks beyond the technical. Beyond just what the manager wants/who he likes. Also, beyond hiring, hiring that person again- getting them to buy into the company. The first month someone's there determines the next nine months of their productivity. From the hard facts to the soft facts. Developing people beyond that. The term 'hr jail' is very apt- I'm the guardian of what is appropriate/legal and what is not. If you're familiar with the laws on employee overtime, benefits, that's constantly in flux.

*Question 2: Strategy and planning: How do you integrate human resources in your company's day-to-day and long-term planning? Do you go so far as to have HR mission statements and strategies and if so, can you share them? How do you measure the success and shortcomings of your plans?*

Leah: it's difficult. It's hard to think 3 years out. I'm working on it! As far as day to day I have other people to help. As far as measurement I'm interested in metrics and I'm interested in hearing from others on that. Back to attraction and retention I'm coming up with measures for those. I think those are important and give us credibility.

Eleanor: regarding day to day, someone mentioned where you sit. It's important that HR work at/see everyone in organization. Because our offices are spread out, you can use different tools, like IM, to keep offices together. You can have instant rapport. I also do structured things like have breakfasts for employees. We also think it's important that employees value what the company does; the plan and structure. We also do smaller things like the breakfasts, in the kitchen there's a white board with sales targets. I work with team leads in each department to ensure that everyone knows the same info/goals.

Clarinda: we do those things in some fashion or another too. We do a CEO lunch. I also have a candy bowl trick- keeps everyone coming up front.

Mike: I'm probably the most extroverted of the management team. I know what's going on and talk to everybody. We don't have a mission statement. We do a lot of group activity. We have a weekly meeting every Friday at lunch- the 'weely' meeting. We discuss what's going on at a higher level. We also celebrate any specific- outstanding job/person. People really try to get that recognition. It's probably more valuable than our promotions. We do quite a bit in the way of activities outside of the company. So many of the people are in bands- we're probably going to take over a pub for one evening to perform. We have bowling, softball, other activities. Good teambuilding activities. In terms of measures of success- it's success. Did you get the product

done at the level of quality you wanted/ in time. We've met all of our milestones. Our publishers are thrilled with us. We've gotten critical acclaim. We also haven't lost many key people. There's only been 1 person in the last 5 years that we wanted to keep, that left. But it ended on good terms. To me, those are the measures of success.

*Question 3: Work/life balance: How does your company handle work/life balance for employees? For example, how many hours are folks expected to work, and how do you avoid employee burnout?*

Clarinda: we've been struggling with this quite a bit. We have enumerated exactly what OT is. It's a period of 3 weeks at most, at 60 hours. Or a period of 2 weeks at 50 hours. After that, return to a period of normalcy. We've enumerated all the rules around OT. What is it, when do you have to work it? Our sick time has played into it. We have an 'as needed' policy. The first conversation when you get back is, where are you in your work? It actually came from our employees. We've had great success with it. Reduced overall absentees. We did have one issue with it, the person had a number of other issues as well. It was more of an abnormality. I think also, we are struggling with getting older. We went from all single guys, to having only one single person and mostly married/attached people and 7 or 8 people with children. We've worked to more flexible work hours with a core time of 10-4:30 and you work around that. We've been more flexible about things like voting, doctor appointments, parent/teacher meetings. The management of HR is about how you manage the exceptions.

Leah: letting people know, especially if they are new, being brutal about the realities of the business. It's unfortunate that we go through periods of brutal overtime, and then times when there's not enough for them to do. We don't pay overtime-in BC the high tech community is exempt. You need to pay a combo of stock options, bonuses, instead. We've got a good bonus program, annual compensation process which is merit based. We do in our minds keep track of accumulated days/hours. We try to do things like a stocked kitchen, gym, passes to galleries and events. Even during the tough times, when they order dinner in, we let them have partners and kids in too. We try to treat people well. We do have sick days- call them defrag days so they don't have to lie and say they're sick to do something else. We treat them like adults. It's being very sensitive, sending flowers, tickets for movies, taking care of laundry, those little things.

Eleanor: I know we said we weren't going to talk about legislation. But we have to give a minimum of 20 days vacation. But I think the work/life balance is managed through management culture. Our team leaders are more experienced at estimating time involved. The work is refreshing, all of the engineers meet every morning so they know what everyone is doing. We give team leads discretion to give time off if necessary. The culture of teams is important. It means that the culture is important- not good to do things in isolation. With regard to flexible working, people might do one or two days a week working from home. Had an employee move to Sweden, one to Germany, they worked remotely very well. You have to keep them in touch. Culture: it's always been a very family friendly culture. We do a Christmas company, barbeques, a pub culture. Everybody comes and on Friday we all go out for a pint.

Mike: Harmonix is kind of extreme- we do not expect people to go into crunches. We did it once. Our first product- Frequency for Sony. They yanked network support and we decided to go into

crunch and yank out network stuff. We worked 7 days a week. We got it done, but so burned people out, that we swore never to do it again. We said in the worst case crunches, either have people work evenings, or have them come in one day of the weekend- that's it. Whenever we do that, everyone stays around- it doesn't matter what your job description says. I also make a point of feeding everyone that's around. I get the food and make sure it's what they want.

Hank: at Blue Fang we generally run people at 40 hours a week. It doesn't mean show up at 10 or 11, go to lunch, play a game, and then 'look at the time' and I have to go. They are expected to do the work. We crunch in an organized fashion- 48 hour crunch weeks. We've been up against it lately, we crunched 2 out of the last 3 weekends. It was tough. Crunch means putting in 48 hours a week instead of 40. We never ask employees to work weekends. It's not just like we say 'you're protected'. The employees have to hold up their own part too. They have to do accurate estimates. If they are bad, that has to be addressed. It's extremely challenging.

Clarinda: we let people figure out where to put their hours.

Leah: yes to weekends.

Eleanor: yes, in certain circumstances.

Mike: it's flexible. Your choice.

*Vacation time?*

Clarinda: fixed vacation. Vacation, and then you can buy an extra week after your first year. We are serious about vacation- you have to use it.

Leah: some people start with 3 weeks. We're closed after Christmas for a week. We've got 6 defrag days.

Eleanor: There's different legislation. In CA it's illegal to do certain things. People can take nice long breaks. In Ireland it's 25 days. Law says you must take a minimum of 20 days per year. Biggest issue is getting employees to take their vacation. With regard to sick days, we've never had a big issue- if you're sick, fine. If you're out more than 2 days, get a doctor's note. But I could probably count on one hand those instances.

Mike: we have 10 holidays, 8 sick/personal days. And for first year people get 10 vacation days; in the 2nd year 12 days; and in the 3rd year 15 days. Some people do lose it if they don't take it.

Hank: we do 15 vacation/sick. They can accrue to carry more.

*Question 4: Difficult situations: What was the most difficult personnel issue you've had to handle? How did you handle it? Ultimately, how did it turn out?*

Eleanor: That's very difficult to decide. We had a new CEO about 12 months ago. Our company was a college startup. 3 years in, we needed a person with management experience. It's a new

person, not a founder, and there's a fear of change. We completely changed the company value structure. From working on cool stuff to documentation. That element of the job changed. Had to do documentation. We restructured the company to be more based in the US. Had 5 engineers went to the U.S. In terms of HR, did a big talent review. Identified problems. Did companywide intro process. Culturally in the offices, there were different practices. To be able to communicate, back to CEO and employees, was important to understand different cultures. How it turned out-great. Company is much more aligned. Had increased sales and more opportunities for employee/career development.

Clarinda: the most difficult lesson to learn- to be honest early in the process. We made a mistake in hiring, there was a person hired for her business acumen, going into a tech position. I didn't think she was ready but didn't speak up. After a month we had to fire her- that shook me out of a malaise- learned I had to speak up. Taking that lesson to heart, maybe being a little tactless, but candid, would help situations not get out of hand.

Mike: firing or layoff related. But the most valuable was early on. I came in, I was the gray hair, the one with experience. The founders were mid-20s w/o experience. They brought me in to help. One thing I noticed that our co-founder [also lead programmer] was trying to produce. But he wasn't that good. I tried to convince him that the job should be split. It was difficult for him to accept that he wasn't that good at something. Especially w/people starting on their own- the more skills you have the more valuable you are. It's hard for people to split those jobs further and further. I talked w/him about what he enjoyed the most, was the best at. He figured out that he didn't like the producing that much, wasn't that good at. We eventually concluded that we should bring in someone that was good at that. He would probably admit that it was a good decision. He hasn't lost any respect toward power in the organization. It's a big company.

Leah: Vancouver is a developer heavy city. A lot of competitors. One of them, about 6 months ago, got aggressive about poaching our people. Calling into people's lines, calling back the next day, and so on. When people said 'no', they would say 'well this is our last offer'- kind of harassment. They would invite our people out for lunch, dinner. Have screenings for them. Offering people 25-30% increases and bonuses. They did get a few people. But those people were probationary or problematic anyway. But the perception was damaging – we were in damage control. It was extremely time consuming. Tried to figure out a retaliation. Thought about an aggressive stance. But thought about it, and realized this situation had little to do with the other company. What we had done was take our eye off our people. Like if your spouse is happy, won't be tempted by the other person. We have a tendency to under-communicate our successes. We have to make a concerted effort- remind people what is great about Radical. Courses that our people were teaching at universities. Talk that up. Successes with our games, new contracts coming- forgot to do that. Took more people out to lunch, reached out to them a lot more. Once we started that, looking inward, problem went away. It was a fantastic thing. I'm grateful to them for forcing us to see this and take care of the problem.

Hank: if you're dealing with founders that can be interesting. When the company grows they can't continue to do everything. We had a similar situation to Mike's. It seems to be going well, but there's more work to be done.

*Question 5: Compensation: Are bonuses given at your respective companies? If so, to whom, when, how determined? Are stock options given? If so, how important are they? Does everyone get them? Is there any sort of profit sharing, or sharing in product royalties?*

Mike: yes we have bonuses. We budget one month's pay as bonuses on average. We tell people they can count on that if they're doing a great job. We generally do it more than once a year. We feel it's better that people get them more frequently- at key deliverables- like at alpha or E3 demo. Then at goldmaster, that sort of thing. We divvy it up- some people get more, others less. Almost everyone is doing a good enough job they get 4%. In terms of stock options, everyone has them. They were more important 4 or 5 years ago. They don't get a lot. We haven't had profits or royalties yet- looking forward to that! If that comes, we will boost our bonuses.

Leah: we have bonuses; rate people as platinum, gold, silver, bronze, no bonus. We have stock options. Go to top third of company, discretionary. Based on performance, management. Royalties structure is discretionary- producer gets to allocate.

Eleanor: bonuses- used to have one but never paid. Last year we re-introduced it. Now over a third of employees got them. Trying to do across the board. Might be 10%- 1/2 on company performance, other 1/2 on employee work. Paid at year end. Stock options- not publicly held. Everyone has options in company. Starting very low- give out on merit. It's difficult to manage stock option pool- it's limited. Need to reserve a portion for key hires. Very difficult to manage. We don't do the other things. They're nice to have, but at the moment our biggest motivation is what the clients are doing.

Clarinda: we have a 5 tiered compensation structure. Compensation benefits are first. Next is everyone owns a piece of company. Every 'lead' gets a royalty slice- variable. Have a company royalty benefit, based on seniority. Finally, bonus structure tied in with open books structure. Every project has profit tied in. At the end, all the employees are tied in in different ways.

Hank: we do have stock. In early days it made sense. Restructured to pay out bonuses- founders, then employees. Based on equity shares and performance. Trickier with stock itself- privately held company. Problem is tax situation. We try to keep a lot of money in the company. But it affects your value as a company. So the value of stock is high- gets tricky. More senior people care about equity- we talk w/people and see what's important to them.

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BREAK FOR LUNCH—TURN IN QUESTION CARDS NOW PLEASE.

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PANELISTS ANSWER QUESTIONS

Q: could you discuss recruitment mechanisms by your companies?

A:

Mike: Gamasutra has worked well for us. It's mostly word of mouth from employees' networks. We do not use a recruiter. The quality of people they send is not what we'd find on our own.

Leah: our internal process works well- employees find people. We have a healthy bounty for that.

Clarinda: we've moved to targeted advertising. Gamasutra, women-dev list, chaos engine. The artists have particular mailing lists. We also do a lot of out-of-game searching. Artist-centric places. We also use IGDA- Boston group meets monthly.

Eleanor: Gamasutra. Had no agency employees. Going to universities and getting presentations.

Clarinda: raising a business profile has helped too. The more focused we are, the better we are, and not limiting focus to managers- getting programmers, office managers, out there, brings in better recruits.

Q: how do you detect a candidate's ability to be cooperative during the hiring process? Team player?

Leah: asking behavioral based questions. Used as backbone of our hiring process.

Eleanor: we have first interview- quite short. Want a good cultural fit. Part of second day- structured exercise with certain pieces deliberately left out. Gives them a real picture of what work would be like, gives team a sense of what person would be like to work with.

Hank: How do you determine what is your recruiting process? Do you have a set process? It's never a science.

Mike: ours is different by department. With programmers, a fair amount of testing- throwing problems at them. Not to see if they can do it but how they attack it. They go through quite a few programmers [many programmers talk with candidates]. Other key personnel are good at seeing who could fit in or not. Our receptionist is very good at people skills- she's got to meet them and accept them.

Eleanor: Looked at internal team, then decided how many people to bring in. Put together job positions. It's always a 2-day structure. Come through me, set bar high. Second pass to team leads. Do initial interview, cover technical stuff, team interaction, why they want to work for Havok. Second day meet and greet with many people. Programmer project, meet w/CEO, meet w/me again.

Clarinda: what's your decision making process?

Eleanor: It has to be unanimous.

Leah: Make sure only your best employees are involved in hiring. Don't underestimate their effect. Don't hesitate to make interview rigorous- don't let them wander, confront discrepancies.

Clarinda: Our process is similar to Havok. We don't look at what people have done in their past as completed projects enough. I mean oddball things. Someone wrote an off-Broadway play. Another employee has completed a film. So instead of just looking at their technical skills, look at what else they've completed as a project. I've become enamored of references if they're done right. Getting actual references is key. Be careful of warning signs: all refs say exact same thing; no one above the person writes a letter.

Hank: We have a people who are just good interviewers.

Q: How do your companies develop entry-level talent?

Clarinda: The first month is most important time. Week-long orientation: paperwork; very strong cultural orientation. Cultural is all those rules that aren't written down anywhere. How do you behave in meetings? How do you communicate with people? Orientation with projects, and the department. During the first week they never have lunch alone. They are taken out and handled by numerous groups. During the first month, informal review, plus meeting with CEO to acclimate them to open-books management. Follow up HR meeting. In a new candidate hire cycle, 3-month honeymoon, after 9 months, fall into a funk- feel over- or under-whelmed by project. Checking in over a period of time is very important.

Leah: Performance plan done after 90 days. Decide on objectives to complete before full performance plan is done. Put new hires with mentors- some are informal, others are formal.

Eleanor: Pretty much the same thing. The 3-month point is a good deadline- take them out for breakfast and see how they're doing. Our team leads developed a learning habit plan.

Mike: if someone comes in at 20 years old, they don't need the same thing as someone that's 30. We put them in 'buddy' relationship, often in terms of offices. We don't have such a formal program, but we tend to eat lunch together anyway.

Q: Housing: apartments/hotels for overseas hires? How do you help new employees relocate?

Mike: We have a guy in a hotel. Generally we haven't relocated people. The times when we have, only once was it failed. We don't pay them to relocate. But we'll help them out.

Eleanor: We do a lot of this. When we relocate, taking someone to Ireland, tell them about cost of living in the area. When the person comes, I set up accommodations for the first month, help them get around city, find places to live. Relocation- give discretionary amount- make it easy for them to live/get set up for a bit.

Leah: \$250-500,000 budget for relocation this year- most of our new hires will be relocating. We invite spouses to come as well, and pay. We give them a city tour. With the offer, a generous relocation offer.

Clarinda: A relocation budget is given. Will rent an apartment for the first month. Sometimes forgive a small loan. Based on hierarchy of needs- help them with basic needs, let them concentrate on work.

Q: Do you track people's working hours?

Leah: Track days- because sick days are allocated. Don't track hours.

Mike: We have about 10 people that are part time testers, but the rest don't turn in time sheets.

Eleanor: Don't have time sheets, even though there's an EU directive to track hours.

Clarinda: For testers we track hours. With people working overtime, do we track or not? Perception versus actuality of working overtime or not? Through daily updates given to manager.

Hank: We don't track hours.

Q: Do you allow personal projects?

Hank: At work, no.

Clarinda: Yes, if it's not a conflict of interest and not during work hours. We have a lot of artists that like to do independent stuff.

Mike: We have people with bands that want to tour. We can work it into schedule and allow. If it doesn't interfere or compete it's ok.

Hank: Not a real issue.

Q: When you promote do you celebrate in some way?

Leah: Never used to officially promote. But since we looked inward, we've taken a celebratory stance.

Eleanor: We celebrate as well. Have to have a clear structure. Needs to be transparent, otherwise can create conflict, hard feelings.

Mike: Don't have a lot of promotions- wide range of salaries but mostly same titles.

Leah: We found that that got us in trouble. We didn't used to change titles, but as demo got older, they wanted more milestones in their career. Gone from junior to intermediate, etc.

Clarinda: We have programmer and artist level 1, 2, and 3. We made them very concrete. Have moved people up, not on skill base but on need base. We do some promotion, have people become management- some celebration but not a lot.

Q: Who becomes a manager?

Leah: We realized not everybody should be a TD or AD; not everyone is qualified to do management stuff; but it was the next progression. Now we have junior, intermediate, senior, then split to lead AD or TD; or if not management, then 'guru' level art/programming so they are parallel in salary to management. But they need to avail themselves as mentors. They can stay doing pure art, etc.

Mike: Founders are managers. The CTO is from engineering, but no other engineer is a manager. Other paths from producing- they were naturally the leaders, making softball game happen after work.

Eleanor: We have a technical career path and management career path. Once a year we do a talent review and some people have always tended to take on more responsibility, mentoring people. Others are only interested in doing art, math, etc and that's it.

Clarinda: I'm struggling because it was never done that way –trying to move into something where talent reviews weren't a regular thing. Can you talk about moving from a space where picking leads moved from technical only skills to a more well rounded approach?

Audience: Do any of you do a leadership criteria? In our org, senior management identified specific traits/skills to look for.

Leah: We have specific competencies that we look for to fall into that role. There are about 7 competencies, with 2 or 3 specialized to art or etc.

Eleanor: Our one-to-one coaching helps with this process. We can design coaching around individual needs. A big emphasis on leading by example. Some people lead in different ways- no one style. But coach them to find the best style.

Leah: A lot of emphasis on leadership development- all soft skills. The people that want to be in those courses, we find out about right away.

Clarinda: We're at the beginning stage of this. Beginning to formalize that process is very difficult.

Hank: One thing we do is make sure managers want to do it. You can tell if someone is good or not. If a person has a certain personality, we also have a list of things that make a good manager.

Hank: How do you determine salaries for new hires? What do you do with a new candidate that comes in and makes too much money now?

Eleanor: Determining salary- done a lot of survey research; always been open and upfront about our salary scale. If they were being overpaid, it upsets the balance.

Leah: People coming from startups, didn't have other perks, let them know that there's more than just the salary- stuff they don't see. But if someone amazing comes in, we hire them anyways.

Mike: A superstar can be worth 5 times what a star is-we'll do anything to get them. We do a lot of internal equity though. If someone great brought in, we don't trumpet salary.

Eleanor: Our salary bounds are quite wide. The bound does give you scope to go the extra mile because we believe all our employees have star potential. In terms of getting into the place, it's very hard.

Clarinda: We don't pay to get the most top person in- we don't have the budget. Our first job in interviews is to be upfront about salary. We sell the company; we're small enough that we know we won't hire a \$200,000 programmer, but we make it up on the other end. We have a great physical location.

Hank: The best person we can find, if they'll be happy doing the work, will they be a good fit, look at their skills, we tend not to worry too much about salary.

Q: Doesn't recognizing single achievement in a group depress the others?

Mike: Not if you do it well- if you call out great performance and do it right.

Hank: So it sounds like your people have a good understanding.

Mike: Example: 10 PM on a Friday night; a couple of people still there- they heard a noise and a pipe had burst. They contacted everyone, and constructed a dam around the area to keep water from computers- they were heroes. They got recognition for it.

Q: Do you do achievements for project-related success?

Mike: Yes- that too. But it's more of coming up with a creative solution.

Eleanor: We get fan mail about the product- we share that.

Mike: We doubled the size of the company. The IT guys went nuts doing that. At the end of that process we gave the applause.

Q: I'm an artist from industry; if you have a situation where an art department is depressed, often it's because one person is targeted as 'golden boy' when they don't have the respect of the rest of the group. When others outside the group show deference to this person, it depresses the rest- it promotes failure, mediocrity, because one person gets the recognition.

Leah: I'm guessing you don't have a 360 review in your company.

Artist: We didn't- these were startups with no real structure. This person progressed on and became noted, except for those that worked with him. Do you really see a situation within the dynamics of a group- how do you stop it?

Clarinda: What you're talking about is naming a culture. When you're dealing with recognition- a lot of hotspots. Do you have feedback? Do you have formal feedback? One way to address is through merit bases; backing up and seeing what you want to do.

Hank: It sounds like a management problem.

Artist: This is the first time I've seen a forum like this. I've been in the industry for 20 years and this is the most mature thing I've seen.

Mike: We don't do this every week and we don't just pull out one person.

Q: Prod teams are composed of many different types of employees- how do you weave people into same project?

Leah: You can't.

Clarinda: For contractors and freelancers we put them through the same hiring process, and interns as well. So they have a sense of what's expected.

Eleanor: We just have permanent full time.

Mike: We have the best experience of a mix and I have no good answer. Of the 52 people in the company, about 30 perm full time, about 10 part time hourly and a mix in the middle of full time contractors and part time permanent. Quite a few jobs are not permanent and you know that. We'd like to keep you around but there are no guarantees. As far as I can tell, we've gotten them on board- I think because they want to stay.

Hank: Mike- your company and culture is very strong. If that's the way your company operates, even people that aren't full time, will want to show up and work. What is key- being candid and honest with people.

Q: Comment: if you treat everyone the same, they all feel part of the team.

Comment: Guys from NA outsource to me in Singapore- I feel part of the team. We have IM, ICQ, we feel part of a team.

Clarinda: You can't underestimate the process of hiring freelancers, outsourcers, etc. You want the same quality of person, even though job is defined by other criteria.

Q: Radical- how do you communicate, what is the key technique to use?

Leah: We use every communication opportunity to celebrate success. We have management meetings where we celebrate successes. Monthly meetings with CEO where he mentions achievements. 'sold our 2 millionth copy of game' type things. We won exporter of the year award 3 months ago, and no one knew. If you celebrate 10 things a month, most people will be able to relate.

Clarinda: If employees don't trust management, they won't buy into corporate brand. Can't underestimate that belief.

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## **BREAKOUT SESSIONS**

### Group Working Sessions

#### Issues and solutions in Human Resource Management in the Game Industry

- Purpose
  - To use the combined brainpower of everyone here to
    - Define top problems and issues facing the management of human capital in the game industry.
    - Brainstorm solutions
    - Create a comprehensive document for publication.

#### Process

- Each table needs to elect a "scribe" who will submit the group notes.
- For the first part groups should define HRM issues
- Each group will "present" their top 2-3 issues which are recorded on screen.

#### Process

- As a group we will edit the list of issues to create a final list of topics. We will then give each table ONE issue.
- Each table then generates solutions.
- Each group "presents" the highlights of their solution to the group.
- We will then take the notes from these discussions and write a paper for publications through the IGDA.

#### Process

- Topics broken down by table
- Recruiting
- Training
- Motivating & Retaining top talent

#### Defining HRM Problems

- Brainstorming Topic:
  - Current problems and issues in HRM

#### Defining HRM Problems

#### Five Minute Warning

\*Issues and solutions in HR management in the game industry

**Group A: Concerns/Issues**

Management

- Communicate value of good management
- Good managers are hard to find
- Employees, companies and industry appreciate what managers do

Increasing barriers to entry for newbies

HR/business issues: different needs for differently sized companies

Keeping employees motivated through hard times (downturns; crunch times, etc)

Solutions

- Management issues--if you have good managers and they communicate well, the problems go away.
- Barriers to entry-- encourage internships; some contract work
- Different needs/sizes-- there are common threads throughout; bridge gaps through networking.
- Motivation-- good communication; management by example.

**Group B: Concerns/Issues**

- How to contract without losing morale (with contractors and permanent employees)
- How to build a business case for training (and what's out there now)
- Creating buy-in for company goals

Solutions

- Company contraction-- Set/manage expectations; get the right notification period; must treat people with dignity, better for everyone, especially if you want people back; performance/exit interviews are important.
- Training--spend about 5% of time/budget on training; train people for the next project, not the current one; train people across the company, get broad knowledge; management gets trained too; certain lag between training and people improving; schedule training wisely
- Creating buy-in--small enough chunks for people to see their own contributions; also set visible milestones; understand your audience and what they will expect; point out profit for company means independence, freedom to create your kind of games; spend time in preproduction; define clear expectations from the beginning.

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**Performance Management**  
**GDC HR Tutorial**  
**John Malenic**

Agenda

- Assumptions
- Employee Engagement
- Environmental Factors
- Manager's Role
- The Role of HR
- Questions, Discussion, etc.

### Assumptions

- Assumptions about performance
  - Old (or current) model: Use training or discipline to change behavior
  - How much can an employee really change?
  - Where should we focus for the most improvement?
- Pragmatism
  - We will continue to use what works
  - Support business objectives
- Unique employee performing in a system

### Employee Engagement

- Hire the best employee for the company & position
- Hold employees accountable for performance outcomes
- Teach employees to deploy & develop their strengths
- Align performance management & feedback around strengths
- Design roles to create world class performance

Environmental Factors

- Information
- Resources
- Incentives
- Skills and Knowledge
- Capacity
- Motivation

Manager's Role  
The Role of HR

- Assumptions about the role of HR
  - Performance improvement organization
- Forge effective partnerships with line managers
- Effectively diagnose performance problems and implement improvement interventions
  - Be open to all approaches, not just your favorite
  - Build and use resource networks
  - Don't limit yourself to your title or role – If you do the job, they will call you back
  - Focus on what will work
  - Take a systems approach

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**END OF TUTORIAL**

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