Videogames and the Future of Leadership Learning
Results from the 2008 ECLF Survey

By Roland Deiser

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In an ongoing effort to take the pulse of some key issues in Corporate Learning and Development, the European Corporate Learning Forum (ECLF) conducted its 4th annual survey among the Chief Learning Officers of Europe's top 200 corporations.

This year's questions focused on the perspectives of Europe's global heads of Learning and Development on the future of Leadership and Leadership Learning, with special emphasis on the potential role of videogames as a tool for developing leaders.

Survey Rationale

This topic may sound exotic and outlandish. However, we thought that a number of converging trends and developments justify a closer look.

- In an age of globally networked companies that are heavy on knowledge workers and alliances across the entire value chain, we need to rethink traditional paradigms of leadership, which for the most part still rely on hierarchical control. Companies face the daunting challenge to develop a critical number of leaders who can without formal power act effectively, in these new distributed, often virtual environments. The inherent learning architecture of certain games fosters exactly these competences of networked collaboration[1].

- At the same time, the next generation of leaders will come from the Millennials, a generation which has grown up with interactive media and games as second nature. These digital natives are not only open to new technologies and experiences but thrive on them.

- And finally, the enabling underlying technology and infrastructure in terms of broadband deployment, memory size, processor speed, and interoperability across platforms is becoming ubiquitous, thus lowering barriers of access.

As always, our survey is not so much a scientifically thorough investigation but rather a "quick and dirty" look into the attitudes and viewpoints of our constituency of CLOs. It is designed to foster dialogue and instigate further discussions, which may also lead to the creation of some focused projects among interested corporations.

Methodology and Sample

The survey was conducted in June 2008. An online questionnaire was sent to the Chief Learning Officers or Heads of Global Learning and Development of Europe's 200 largest corporations. It was deliberately kept short and simple, asking only 18 questions and using primarily answers marked on a rating scale. As always, the sample was carefully selected to make sure the most senior Learning and Development executive of each company replied directly.

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[1]   See for instance Reeves/ Malone/O'Driscoll: "Leadership's Online Labs", Harvard Business Review May 2008, pg 59-66

Response Rate and Demographics

47 (or 23.5%) of Europe's top 200 Heads of Learning and Development responded. Slightly less than three quarters of the respondents employ more than 40,000 people, and slightly more than three quarters operate on a global scale. Because of their size and geographical scope, virtually all companies face significant complexity in their leadership challenges.

Number of Employees

Less than 10,000
(6.4 %)

100,000+
(31.9 %)

10 - 40,000
(21.3 %)

40-100,000
(40.4 %)

Scope of Business

Primarily
Domestic
(6.5 %)

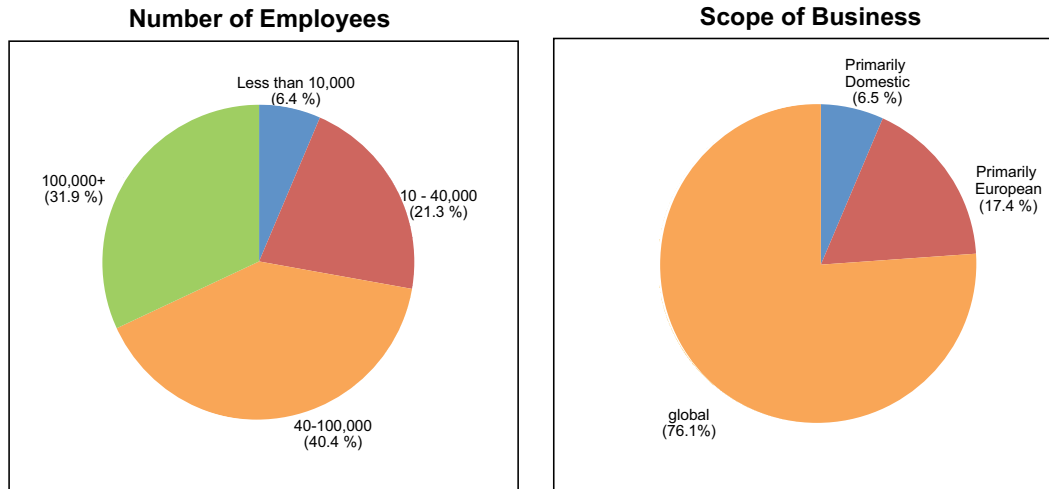Primarily
European
(17.4 %)

global
(76.1%)

Exhibit 1: Size and geographical scope of respondents

The respondents represent a broad range of industries, with a significant bias towards the financial services sector.
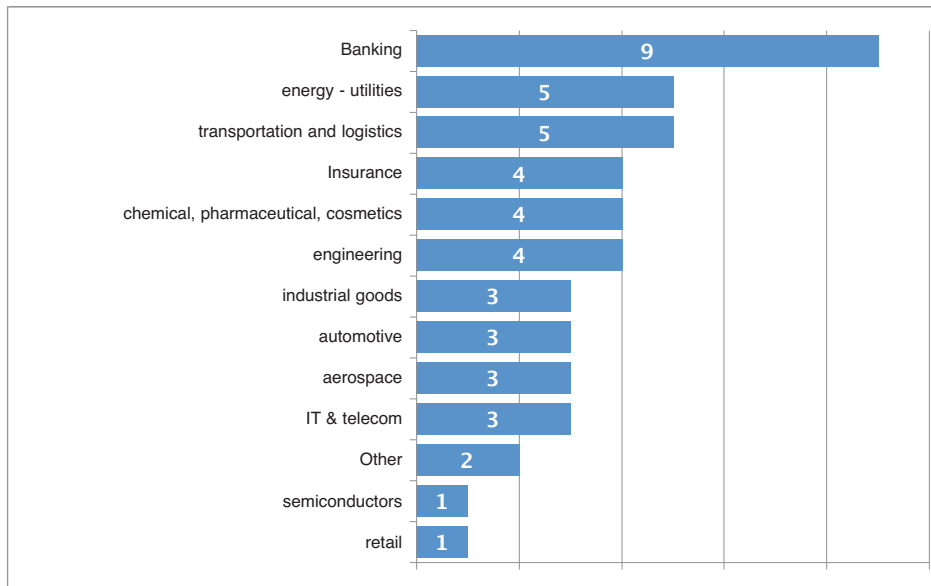
Industry	Count
Banking	9
energy - utilities	5
transportation and logistics	5
Insurance	4
chemical, pharmaceutical, cosmetics	4
engineering	4
industrial goods	3
automotive	3
aerospace	3
IT & telecom	3
Other	2
semiconductors	1
retail	1

Exhibit 2: Scope of industries represented by respondents

The following pages summarize the results of the survey.

1.   Leadership development is critical

Compared to other strategic initiatives, a clear majority of 67% of the respondents indicated that leadership development ranked "very important" in their company. This is very much in line with results from similar surveys that put issues of creating leadership bench strength continuously among the top concerns of corporate leaders[2].

However, this still leaves about one third of respondents where leadership development is a less prominent issue. Here, it would be interesting to get a better understanding what "competing" strategic initiatives take the focus from leadership development.

"Compared to other strategic initiatives, how important are
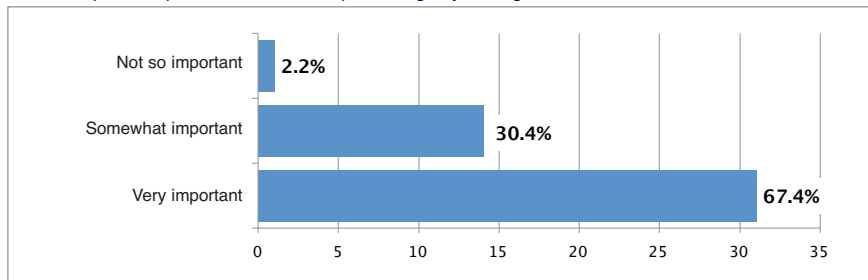leadership development and leadership learning in your organization?"

Exhibit 3: Comparative Importance of Leadership Development and Learning

2. Strategic alignment is key, followed by developing bench strength

Asked in more detail about certain aspects of the leadership challenge, virtually all of the offered responses ranked important in the minds of the surveyed CLOs. The top rank was taken by "*Developing* the right *leadership competencies"* (i.e., aligning the company's leadership culture with strategic challenges), followed by the talent pipeline issue of *"Creating bench strength*".

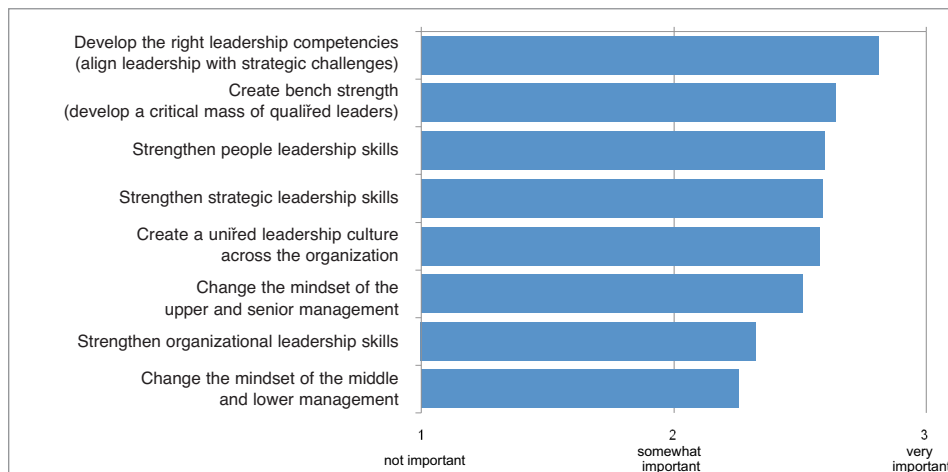"When it comes to leadership issues, how important are the following issues in your corporation?"

Exhibit 4: Comparative Importance of Leadership Development and Learning

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[2]   As one example among many see for instance the "Ken Blanchard. 2007 Corporate Issues Survey: A Five-Year Look at the Trends and Issues Organizations and Leaders Face" (http://www.kenblanchard.com/img/pub/Blanchard-Research_2007_Corporate_Issues.pdf)

But virtually all other issues are almost equal in importance, indicating that Leadership Development is a multi-dimensional, complex challenge which needs to be addressed in a holistic way.   Notably the issue of *"Changing the mindset of middle and lower management"* ranks last (although still of relatively high importance), indicating a burning need to develop particularly *senior* leaders in a sufficient quantity – a population that is notoriously difficult to attract to getting engaged in learning activities.

3. The key leadership challenge of the future is talent attraction and retention

Asked about the major challenges that will confront the typical leader of the future, *"Talent attraction and retention"* (83% very important, 17% somewhat important), *"Managing in a global environment"* (78% very important, 20% somewhat important), and *"Fostering innovation and creativity"* (70% very important, 30% somewhat important) take the three top spots.

But again, virtually everything ranks high in importance, with the exception of "*Providing orientation and security for employees*" (24% very important, 61% somewhat important, 15% not important) – possibly an indication of the dusk of the era of command and control.

It is kind of surprising (and sobering for CLOs), that "*Designing and nurturing learning organizations*" ranks almost at the very end of the list of challenges (28% very important, 63% somewhat important), given that this is a "meta-competency" that could help master many of the other challenges. One possible explanation is that the notion of "organizational learning" has the connotation of a management fad of the 1980's, and that the concept is viewed as too soft and not addressing the real business challenges.

It should be noted, however, that all 11 challenges which respondents could choose from averaged greater than "somewhat important" on the scale, signifying that every single challenge is perceived as being crucial to leaders of the future.

"What are the key challenges you see for the typical leader of the future?"

Exhibit 5: Future Leadership Challenges

After these more general questions about the importance of leadership issues and the key perceived challenges for the future of leadership, the second part of the questionnaire turned more specifically to the role of the learning function and the potential of videogames as tools for leadership learning.

4. Most companies still use traditional tools to foster leadership development

When asked about what the "Corporate Learning and Development function currently does to strengthen the leadership capability of the organization", the traditional tool kit of Corporate Learning (better "training") still leads the field.

46 out of the 47 surveyed companies say they offer structured leadership training programs, and roughly 90% use coaching, while 80% utilize leaders as mentors and sponsors. About 60% use some type of e-learning platform for leadership learning. We did not specifically ask what exactly the platforms are used for, so applications could reach from simple LMS services to sophisticated web 2.0 architectures.

Using videogames for leadership learning ranks not surprisingly last, but anyhow, 4 companies out of our sample of 47 are already exploring it.

"What does the Corporate Learning and Development function currently contribute to strengthen the leadership capability of your organization?"
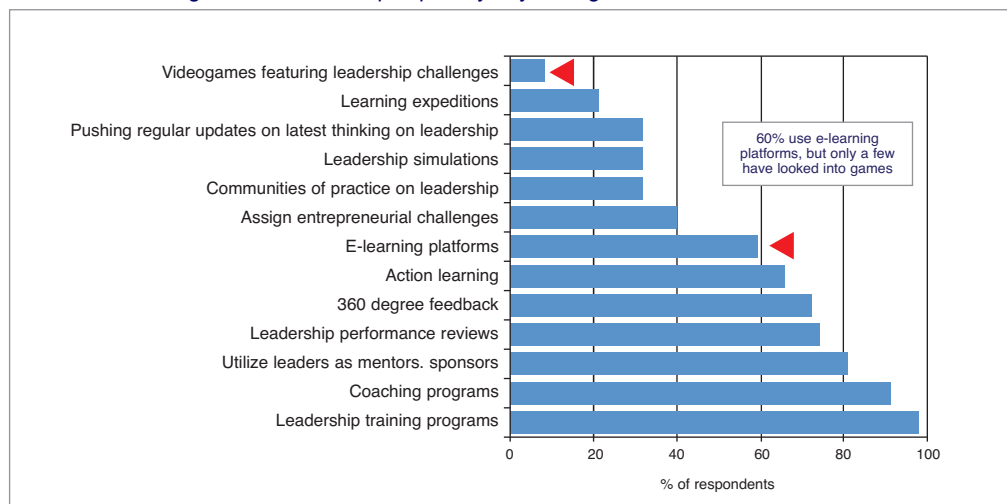

Exhibit 6: Leadership Learning tools and interventions

5. Quite a few companies already deploy game based learning, although few in the leadership domain

At the time of our survey (June 2008), one third (33.3%) of all CLOs who responded to the survey use game- based learning. So far, the primary use is for functional training, although 4 companies of the sample use games for leadership learning, too. Some respondents mentioned specific applications, such as hairdresser training (cosmetics company), business communication, or exploring the own business. Still, a solid majority of 64% has not yet explored the potential such solutions may offer.

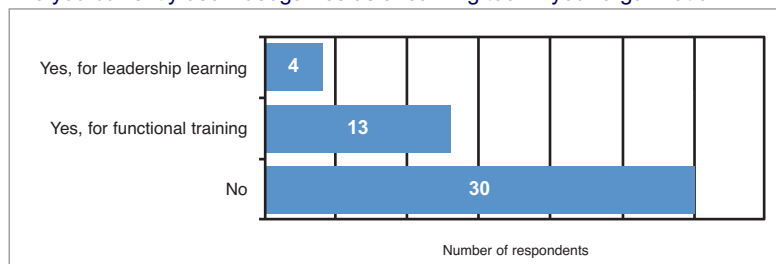"Do you currently use videogames as a learning tool in your organization?"

Exhibit 7: Current Use of Videogames in Learning

6. The general attitude towards games and technology at large is positive

The current reluctance to deploy game based solutions is somehow contradicted by the fact that 68% of the respondents *strongly* agree (marking 4 or more on a scale of 1-5) that video games can accurately simulate a real business dilemma. And when asked if they "like using new technologies", 64% agreed with that statement.

Even more impressive, a solid 90% agree that simulations and games are superior to lectures when it comes to teaching management skills:

"How strongly do you agree or disagree with the following statements?"
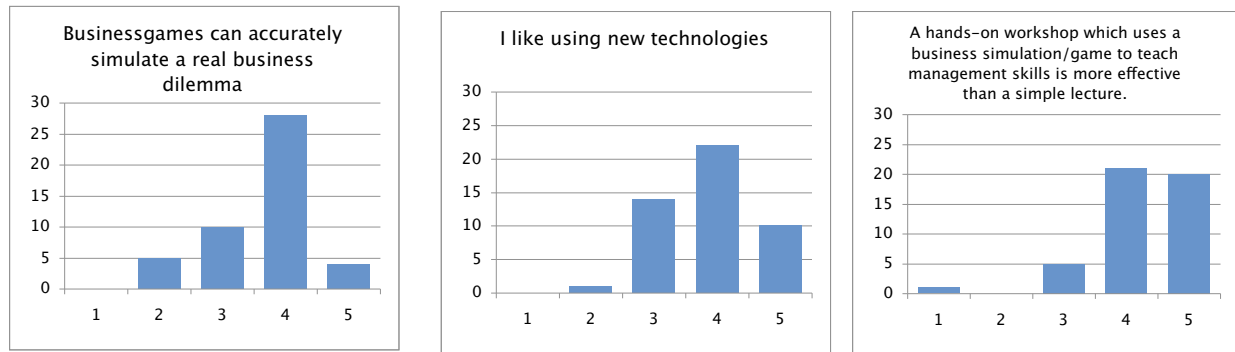
1 = strongly disagree
5 = strongly agree

Exhibit 8: Attitudes toward games and technology

7. Videogames are perceived as viable tools – but not as a panacea

A clear majority believes that games can make a difference in leadership learning. 41 out of 46 companies (89.1%) agreed with the statement that "*Videogames can generally enhance leadership capabilities*".

However, the CLOs are cautious in terms of the significance that videogames may have. For most of them, games work "*to a certain extent*", i.e. in concert with other elements of the leadership learning toolkit. Still, these results are in sharp contrast to the current practice we saw in exhibit 6, where games ranked last.

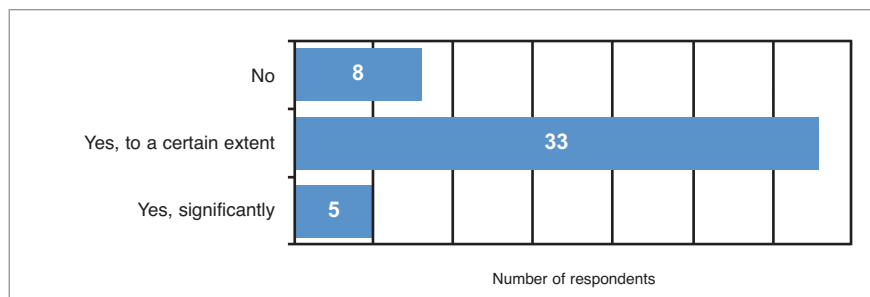"Do you think that videogames can generally enhance leadership capabilities?"

Exhibit 9: Can games enhance Leadership capability?

8. There is no doubt among CLOs that games will become a tool for leadership learning

Very consistent with the previous question, the European CLOs show impressive consensus on the future role of videogames in executive learning. More than 9 out of 10 respondents agreed that games will become a tool for leadership learning. However, the consensus is as clear that games will only be one of many elements in a diverse portfolio of interventions.

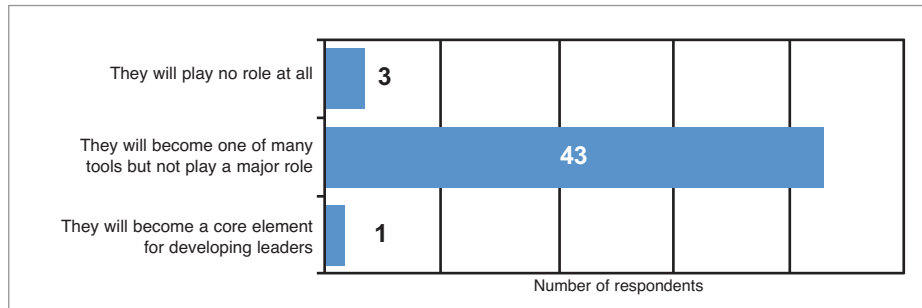"How do you envision the future of videogames as a tool for leadership learning?"

Exhibit 10: The future role of games in Leadership Learning

9. Major deployment of game base solutions is ahead

Given the currently poor deployment of games in leadership learning initiatives, we can expect a quickly growing interest on the subject which will lead to a surge in game based solutions.

Although only one third of the companies is using game solutions at this time (see Exhibit 7), this picture will change dramatically soon. 6 out of 10 companies "*intend to test or further develop game based learning tools in their organization within the next 12 months*".

Particularly interesting: 20 companies (or 44.4%) from our sample want to deploy such solutions for leadership learning. This means a growth in deployment by 400% (!) over the next 12 months, given that only 4 companies use currently current games for that purpose (exhibit 7) – a clear shift from usage in functional training only.

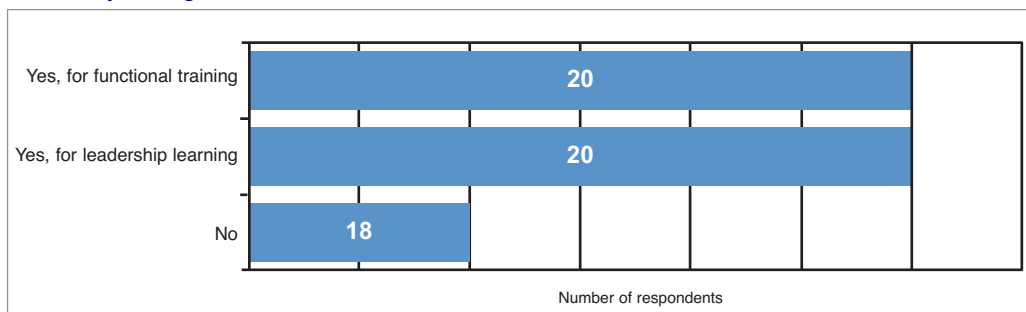"Do you intend to test / further develop game based learning tools in your organization within the next 12 months?"

Exhibit 11: Intended deployment of game based learning

10. Obstacles for implementing game based solutions

So why are game based solutions not proliferating quicker?

The most important barrier according to our survey is the "*negative attitude of senior management and older executives towards gaming"* (61% of responses), revealing a major generational gap between the values of the current generation of leaders, who are Baby Boomers (and as such are "digital immigrants") and the upcoming generation of Millennials (who are "digital natives").   Introducing gaming as a way of learning for established leaders will be hard, as they bring a lot of prejudice to the table.   At the same time, young and upcoming leaders breathe networking and are comfortable with all kinds of uses of technology. Managing the demographic portfolio of leaders within an organization is already today a major talent management challenge. Fostering game based solutions will further shed a spotlight on these differences.

Barrier #2 are the "*expected costs"* (55% of responses), as developing a game is perceived as a very expensive proposition. This goes hand in hand with barrier #3, the "*lack of knowledge about solutions that would fit the companies' needs*" (48% of responses).   Both barrier 2 and 3 indicate that there is currently a significant lack of information about the real costs of creating a game - as there is little knowledge among CLOs in general about this rapidly evolving market.

Remarkably, but not surprising is that for 38% of the surveyed companies "playing" is culturally not accepted as a way of learning – an indication of the still prevalent paradigm of learning as being something boring, reminiscent of dusty classrooms, the opposite of fun.

30% of the companies – and all of them are major global players! – still lack an adequate hardware infrastructure for rich multimedia applications that require respective memory and processor speed. This obstacle, however, should soon evaporate as multimedia-heavy web 2.0 applications are becoming increasingly pervasive.
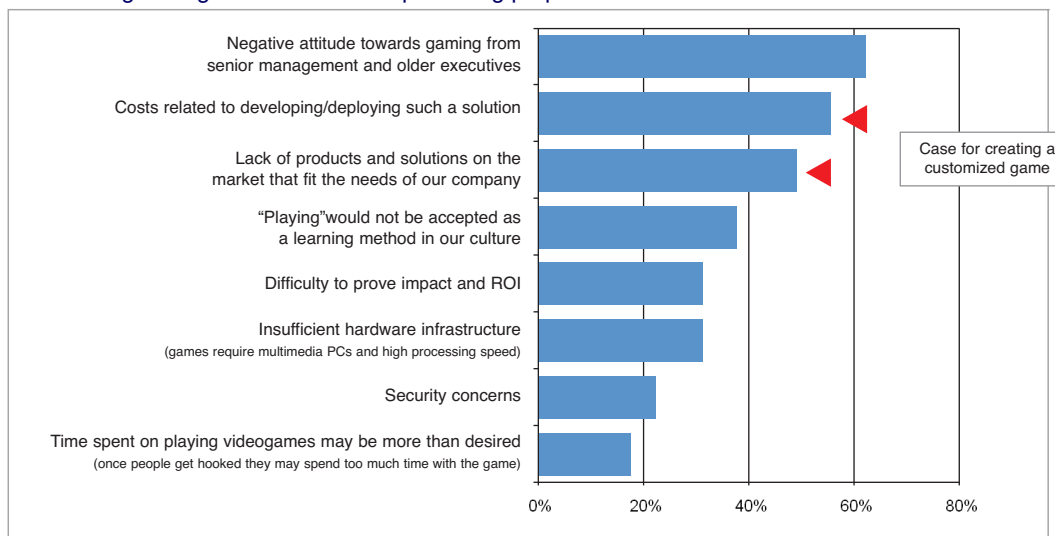

Exhibit 12: Barriers for implementing game based leadership learning solutions

Very consistent with the general perception of barriers are the answers from the 18 respondents who are *not* going to deploy game-based solutions within the next 12 months:

Only one Chief Learning Officer does not believe in the value of games (!). The others would likely go ahead, but their "*organization is not ready*" (9 companies), they have "*budget restraints*" (8 companies), and "*current solutions do not meet their needs*" (5 companies).

"Do you intend to test / further develop game based learning tools in your organization within the next 12 months?" – **"If no, why not?"**

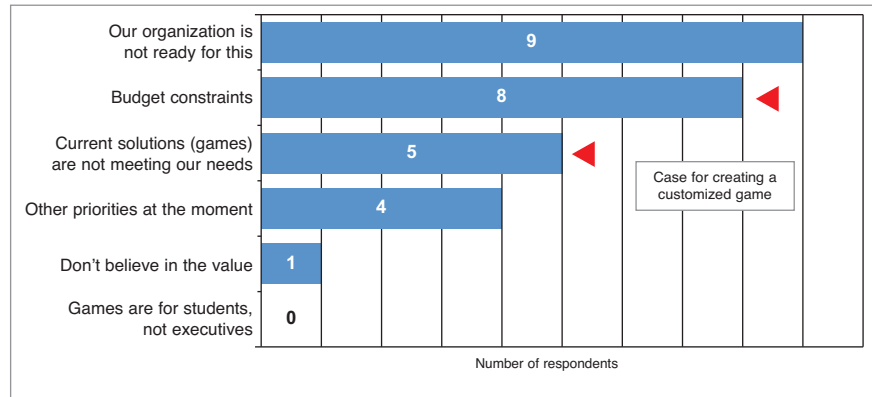| Reason	Number of respondents
Our organization is not ready for this	9
Budget constraints	8 ◄
Current solutions (games) are not meeting our needs	5 ◄
Other priorities at the moment	4
Don't believe in the value	1
Games are for students, not executives	0

Case for creating a customized game

Exhibit 13: Reasons for not deploying game based solutions in the next 12 months

These results make a strong case for a deeper investigation of the current "serious games" market for leadership learning, to better understand the territory and get a better feel and confidence for the constraints and opportunities related to introducing games as executive learning tool in large corporations.

11. Still – a bright future for game based leadership learning

Despite the above mentioned barriers, 9 out of 10 companies (89.6%) think it is feasible to introduce video games for leadership learning at their company at this point in time.

While 60% would introduce games at this stage just for certain demographics (such as hi-potentials, younger leaders, Millennials), a solid 30% would go for deployment at all levels.

"In your corporate environment, would it be feasible to introduce videogames as a tool for leadership learning?"

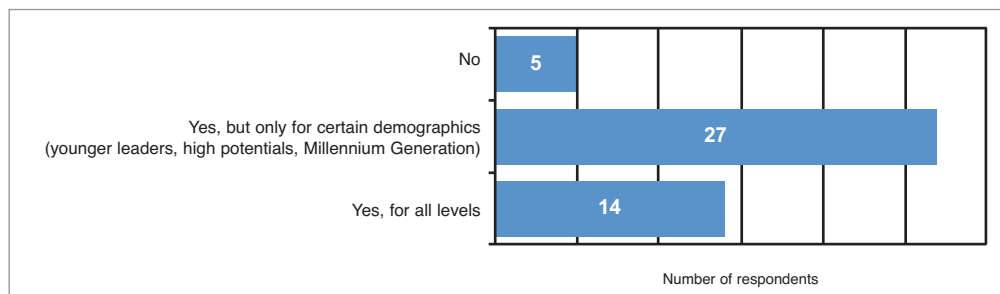|	Number of respondents
No	5
Yes, but only for certain demographics (younger leaders, high potentials, Millennium Generation)	27
Yes, for all levels	14

Exhibit 14: Feasibility of introducing videogames as tool for leadership learning

Given these intentions, it comes as no surprise that the majority of the companies envision that within 3-5 years from now, videogames will have become a core element of learning and development, not only within their organization, but as a standard in the industry (Exhibit 15).

"In your opinion – how long will it take until videogames become a core element of learning and development?"
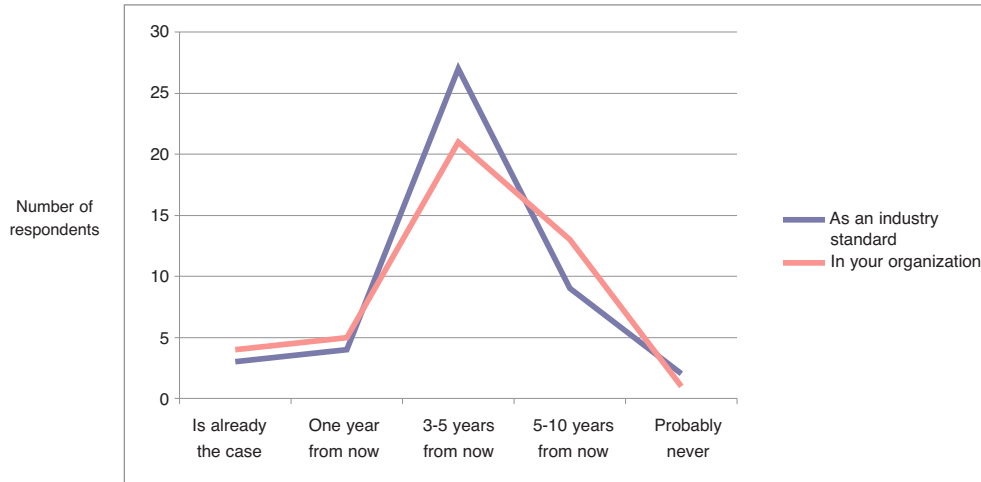

Exhibit 15: Projection of time it will take to establish videogames as tool for learning

If these projections are realistic, it is high time for CLOs to take a closer look at the potential of games for leadership learning and start to experiment with at least partial deployments. Those who decide to wait and do nothing may soon be laggards in a quickly changing landscape leadership challenges, technology and generational dynamics.

12. Many companies want now to take a closer look at this issue

The last questions of the survey were action oriented, asking about the readiness to *"join a task force to further explore the potential and challenges related to introducing and utilizing videogames in leadership learning"*. To our surprise and pleasure – although very consistent with the results discussed - 17 out of 47 (36.2%) want definitely to join such an initiative, and an additional 19 are thinking about it.

"Would you (or a representative from your company) join a task force to further explore the potential and challenges related to introducing and utilizing videogames in leadership learning?"
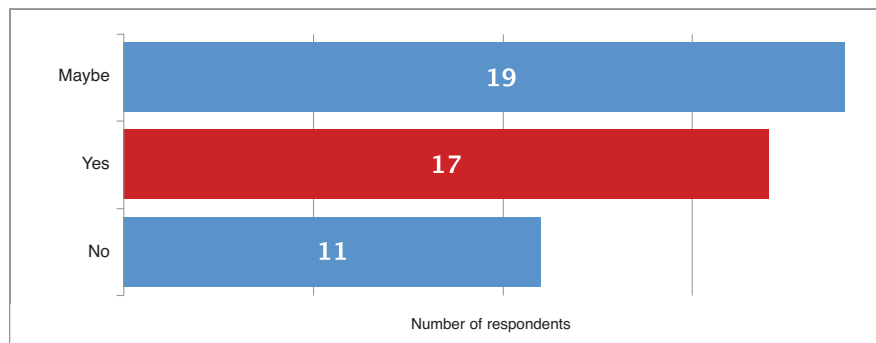

Exhibit 16: Respondent's interest in joining a task force to further explore the issue

And an impressive 10 companies have declared their willingness to invest even more: Asked if they would *"join a consortium to jointly develop a state of the art leadership game customized for their needs, even if this requires a six-figure financial commitment"*, they answered with "yes". And an additional 10 stand by with a "maybe.

This is a clear indication of a rapidly changing mindset about the role of games in leadership learning.

"Would you join a corporate consortium to jointly develop a state of the art leadership game that is customized for your needs (requires six figure financial commitment)?"
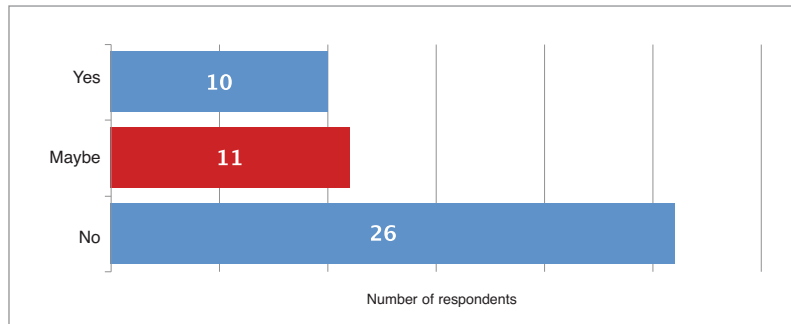

Exhibit 17: Respondent's interest in jointly developing a customized game

As mentioned at the outset, this survey does not claim to meet strict scientific standards. Nevertheless, it provides a feel for what is going on in the minds of European CLOs. We believe the results are indicative of real trends in corporate leadership education. It comes as little surprise that companies view leadership development as critical. And given the lack of commercially available videogame simulations focused on leadership, it is also understandable that CLOs are not heavily invested in using them at this time. But we think the writing is on the wall, which is why nearly 100% of respondent companies agreed that videogames *will* become one of the tools to be used in the future, and that many of them are willing to invest in a further exploration. It also proves that the 2008 ECLF conference theme on "The Future of Leadership and Leadership Learning" turned out to be extremely *a propos* of coming trends.

About the author

Roland Deiser is an internationally recognized expert on strategy, organizational change, and innovation, with a focus on building strategic capabilities into large-scale systems.   His professional work is strongly rooted both in both academia and practice. He is the founder and the Executive Chairman of the European Corporate Learning Forum (ECLF), and he serves as a Senior Fellow at the Center for the Digital Future at the USC Annenberg School of Communication. (Los Angeles).

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About ECLF

The European Corporate Learning Forum (ECLF), is a consortium of the global Heads of Learning and Development of currently about 60 multinational corporations from more than 10 countries who have teamed up to share practices and shape the future of Corporate Learning and Development.   More information about the Forum can be found at www.eclf.org.