

### **How are activities coordinated within Valve?**

Within Valve, by far most of the coordination is organized through emergence. Employees are free to decide for themselves which projects to work on. This way, the best projects emerge and make it into games. Besides this, employees have a major role in deciding on the way projects are organized. This includes the amount of check-ins needed and the frequency of meetings. Third, employees select their own team leaders through a democratic system. Team leads are however not given a special position in terms of benefits and receive the same amount of compensation.

### **What are strengths of this coordination approach?**

The strengths of an emergence strategy for coordination of the activities of a firm lie in its ability to quickly adjust. As soon as people on the work floor feel something needs to be changed, they can do so themselves. Within Valve this could be to decide cancel a project or to change teams. In a bureaucracy (the opposite of emergence coordination) this would be a lot harder. Furthermore, this strategy can motivate employees as they feel responsible for their work. This is because they are empowered to make decisions for themselves without the need for approval by management.

### **What are weaknesses of this coordination approach?**

The weaknesses of an emergence strategy for coordination of the activities of a firm lie in that it requires employees that can make decisions themselves. This requires a certain type of person that can take initiative and make decisions themselves. In order to hire only people that possess these characteristics, the interview process has to be very rigorous. A related weakness involves the nature of the work. Not all work allows for employee centered coordination. Processes that require great deal of overall coordination and safety requirements are less useful for the coordination as used in Valve.

### **How are decisions made at Valve?**

Decisions are within Valve mostly made according to the collective wisdom approach. Employees are empowered to make important decisions together. Whether this is for deciding team leads, performance assessment or the shipping of product, employees are together responsible for these decisions. One area management (as represented by the owners) still has exclusive decision power is on the termination of employment contracts.

### **Which form of motivation does Valve emphasize?**

Valve emphasizes mainly intrinsic motivation. By letting people decide for themselves what to work on employees can find a project that motivates them most. This intrinsic motivation is combined with extrinsic motivators such as an above industry average salary and the prestige of working for the company.

**What will happen to the management model of Valve as the company grows?**

The management model of Valve will likely become more traditional as the company grows. This is mainly due to the additional coordination that comes along with growth. Therefore, a mixed model will emerge between new and traditional management practices that will make the company less flexible and responsive but will give it mass to accomplish bigger projects.

**What insights from Valve can big companies use in terms of management?**

Big companies in the software development industry can learn derive the following insights from Valve: let people make decisions for themselves as this motivates them, empowering the employees and let them reach higher levels of productivity. This relates closely to the fact these (big) companies could apply more intrinsic motivators than purely extrinsic ones as these help in increasing employee productivity.