Gamification: The New Mantra for Optimizing Employee and Organizational Performance

Mousumi Sengupta
Professor - OB & HR
SDMIMD, Mysuru
mousumi@sdmimd.ac.in

Nilanjan Sengupta
Professor - OB & HR
SDMIMD, Mysuru
nilanjan@sdmimd.ac.in

Abstract

Fathoming out the employee satisfaction level, the degree of employee engagement, and its impact on productivity has become a crucial factor for survival and sustenance for any organization, operating in ever-changing business arena. In order to do this, traditionally, companies used to obtain statistical data that could be measured and analyzed for the same purpose. Though reliable and valid, this method may not serve the organizational purposes for reasons, such as, time-gap and difficulty to adopt this method frequently. Companies may also run the risk of working with out-of-date data creating a downward spiral of employee discontent. This can result in less than accurate results, as attention spans wane and boxes get ticked without real thought. Considering this, many companies have adopted a concept called gamification, to improve the effectiveness of

the employees in a more time-efficient manner. The present paper discusses the concept of gamification, along with the issues and concerns regarding the same.

Introduction

Fathoming out the employee satisfaction level, the degree of employee engagement, and its impact on productivity has become a crucial factor for survival and sustenance for any organization, operating in ever-changing business arena. In order to do this, traditionally, companies used to obtain statistical data that could be measured and analyzed for the same purpose. However, this method is feasible to implement only once or twice a year, as part of performance reviews or as a standalone employee survey. While these surveys, when implemented correctly, can provide a deep understanding of feelings across an organization, their value is often undermined by the length of time required to gather responses and analyze the data. This may result in issues raised by the survey being escalated in importance and creating a 'feedback gap' that makes it harder to resolve issues raised by employees, because of the issue of time gap. Companies may also run the risk of working with out-of-date data creating a downward spiral of employee discontent. With only one or two opportunities each year to implement an employee survey, companies are also often tempted to throw in a huge list of questions. While each one may be valid in gaining insight into attitudes, employees are often put off by the amount of depth or time

required to complete them. This can result in less than accurate results, as attention spans wane and boxes get ticked without real thought. Considering this, many companies have adopted a concept called gamification, to improve the effectiveness of the employees in a more time-efficient manner. (http://www.hrmguide.co.uk/communication/hr-app.htm).

The present paper discusses the concept of gamification, along with the issues and concerns regarding the same. When used effectively, it can aid in making organizational programs and polices more strategic, employee-focused and result-oriented and increase organizational commitment and motivation among the employees.

Gamification: The Concept

Gamification is the concept of applying the basic elements that make games fun and engaging to things that typically aren't considered a game. In theory, one can apply game design to almost anything: education, health, marketing, social good or personal training. It combines fun, rewards and the power of social networks in a single package (http://www.techhui.com/profiles/blogs/the-next-game-changer-after).

A common example of gamification in the real world is the frequent-flier programs that airlines pioneered and benefited substantially. Loyalty programs and loyalty cards are also examples of gamification in the real world that encourage customers to spend more money to unlock certain things or get certain advantages. Other examples

could range from signing up for a newsletter for a chance to win a prize, or   collecting frequent flier miles, enrolling for a silver, gold, platinum membership of a club. All these could be cited as being part of the gamification process.

Gamification has entered into workplaces as well. The new generation of knowledge workers who are joining (in jobs) at organizations big and small, are   bringing with them different expectations and are motivated differently than workers, in the earlier generations. One way to motivate these employees is by incorporating game mechanics into the workplace, especially when it comes to rewarding employees' performance.

Gamification is a combination of quantification, rewards, autonomy and challenge, which makes it ideal for the workplace. If it is used effectively, it certainly boosts collaboration and feedback within the organization. It is so powerful that Facebook has started using a software called Rypple's Loops for managing its internal reviews and communication. The program is the next step in using gamification and feedback loops to engage employees and provide near real time analytics at work. If the aim of game mechanics is to make work more engaging, then the mechanics need to be applied to actual business processes (http://blogs.hawaiibusiness.com/2011/06/27/the-next-game-changer-after-social-media-gamification/).

Gamification is about taking the essence of games-fun, play, transparency, design and challenge - and applying it to real-world objectives rather than pure entertainment. In a business setting, that means designing solutions for

everything, from office tasks and training to marketing or direct customer interaction, by combining the thinking of a business manager with the creativity and tools of a game designer. Though the illustrations of success with the help of gamification are drawn from the select few examples, the significance and benefits of gamification has been already accepted by the corporate world. In fact, analysts claim gamification will be used in 25 percent of redesigned business processes by 2015 (*Gartner: Predicts 2012)* will grow to more than a $2.8 billion business by 2016, and will have 70 percent of Global 2000 businesses managing at least one "gamified" application or system by 2014 (*Gartner. Innovation Insight 2011)*

Elements of Gamification

As a game designer uses different strategies and tools to create a new game, so must leaders and managers use a toolkit to facilitate their process of gamification. Hundreds of separate game mechanics principles, behavioral economic theories, and current user experience design thinking can be distilled into four overarching elements, as noted below (Palmer et. al, 2012):

1. *Progress paths***:** the use of challenges and evolving narratives to increase task completion. In games, the next desired action is usually clear. The clarity around objectives is usually not as explicit in real-world scenarios, but is added when attaching progress paths to one's processes and systems. The complexity of

challenges in progress paths also increases over time. Where a novice is rewarded for more basic tasks, a more advanced user requires a challenge of greater difficulty to remain engaged with the system.

2. *Feedback and Reward*: Designing the right reward, becomes the second part of the design challenge. Some users will be motivated by more traditional monetary-based rewards, while others will be rewarded differently, by increasing their ability to explore and master a system, for example, or to have some level of power, leadership or responsibility.

3. *Social Connection*: leveraging social networks to create competition and provide support in another crucial aspect. Games have often provided reasons for friends to gather. With the Internet, social networks and now the ability to be social over mobile devices, processes and systems can provide instant access to friends and social connections at any time. This enhances the ability to have conversations and dialogues with other users that increase the level of interaction and engagement.

4. *Interface and User Experience*: aesthetic design and cross-platform integration considerations to enhance fun is getting another feature that needs attention. Due to improvements in video game graphics and Web page design, many users are increasingly sophisticated when it comes to expectations for technology services. This presents a challenge for businesses with limited design

staff. It also presents an opportunity for organizations that are able to either rapidly increase their design competency or network with firms who can fulfill that roll.

The power of these four elements comes from a designer's and business's ability to blend them. No one game mechanic should ever be considered in isolation. Doing so, could result in an intervention that achieves no result at all, or worse, actually has a reverse or negative affect on outcomes. Used in conjunction, it can help in obtaining desired results by optimizing performance among employees in business organizations.

Concerns about Gamification

Among the apprehensions about gamification are distraction among the employees, users doing nothing more than playing games, managers being unfamiliar with the modern behavioral techniques embedded within existing technology, systems and processes, cheating by and dissatisfaction among participants involved, using gamification to bolster a faulty product or a flawed process resulting in customer dissatisfaction and annoyance among them, using a single element in the gamification process resulting in under-utilization of the same with sub-optimal results and creation of a system of dependency and fatigue among the users (http://www.ted.com/talks/dan_pink_on_ motivation.html; http://gamification.co/2012/01/20/ibm-study-reveals-effect-of-gamification-withdrawal)

For example, before a company starts planning their own recruiting game, it is necessary to consider the pros and cons. Gamification is effective since it has the ability to test a skill set, associate the company with something people enjoy and give a pulse about the culture of the work environment. But as a pre-requisite, the technique also requires the both the company and the users to have tech-savvy skills. Without having the access to the technology, this tactic might have the desired results.

Utilization of Gamification in HR and other Business Functions

From the above discussion, it becomes clear that gamification can be used as a powerful strategic tool in enhancing business results for a firm, provided it is applied with thought and integrated into the overall business process of the organization. Mindlessly using the technique can have more negative impact and lead to sub-optimal utilization of manpower with obvious negative consequences for the firm. While gamification can be used in a variety of business domains, in this section the discussion would be in understanding how gamification can help the HR function and its various activities for enhancing the employee motivation and capability on the one hand, while helping HR functions and processes to become more strategic with an eye on making HR as a business partner in building and strengthening the strategic concerns of the firm. For comprehending this, one has to look at some of the trends and benefits with regard to the gamification process in HR and other business functions.

While taking advantage of the gamification technique it must be understood that today, there are number of options for the firms to get access to a variety of games and use them effectively. In particular, are the usages of some popular free and low-cost games which are available from a growing number of sources. Some of these which are being increasingly being used by firms as trends show are discussed below:

Using recruiting games to assess soft skills and personality:

The example below shows the illustration of the technique by using a game in the context of determining the level of soft skills and personality types (person-job fit relevance and congruency) in the assessment of employees in a restaurant.

For example, *Wasabi Waiter* (the game) puts employees in the title role in a busy sushi restaurant. The game promises to "embrace the psychology of play to reliably predict job performance." It claims to reveal key skills such as:

- Efficiency: How well do candidates process, prioritize and respond to information?

- Social intelligence: Do they respond well to social cues?

- Conscientiousness: Do they try hard to get things right?

Another game, called *Balloon Brigade* assesses how users make decisions. Both these games are freely available for usage (HR Specialist, 2014).

The use of Personal wellness games to engage employees to become healthier:

In order to address the issue of stress management among employees, some firms are increasingly using personal wellness games which can act stress busters for employees. For example, *The Proof!* game at mindbloom.com allows users to create a personalized seven-day get-in-shape challenge. Another game called Mindbloom's Life Game encourages users to keep a tree green by building personal habits that improve their lives. For example, Aetna recently adopted Mindbloom's Life Game platform to help customers and employees adopt healthy life habits. Members using the site visit nearly four times per week with an average engagement time of 14 minutes, 41 seconds per visit. Mindbloom can help users manage specific physical conditions and can also help them monitor areas often correlated to health outcomes, but considered 'unmentionables' in the current health care system such as stress related to jobs or caregiving, relationship conflicts, unhealthy sex life or financial issues (http://www.bloomberg.com/apps/news?pid=conews story&tkr=AET:US&sid=ahhdxqa9XmBU)

Double Viewer Engagement

A major cable network found it could double the engagement on a show website by incorporating game mechanics such as challenges and leaderboards to encourage fans to interact with the site. During a presentation at the 2011 Gamification Summit, a network executive revealed that the program generated a 130

percent increase in page views for the network's show and a 40 percent increase in return visits (http://venturebeat.com/2011/01/21/usa-network-scores-with-gamification-on-psych-tv-show).

Increase restaurant sales**:** In 2010, a Colorado restaurant implemented a gamification-based employee program with the goal of motivating waiters and waitresses to increase sales of specific menu items. Participating staff were awarded chances to play online "random-point-yielding games when they sold a fresh-squeezed orange juice or a 4-pack of cinnamon rolls". Points were redeemable by staff for a branded debit card. One case study estimated that the [restaurant] realized an ROI of 66.2 percent due to an increase in sales of the targeted menu items" ((http://www.snowfly.com/Blog/post/2012/02/21/Case-Study-Gamification-Based-Employee-Incentives-Aimed-at-Improving-Sales-in-a-Restaurant-Environment.aspx).

Peer recognition games for better employee engagement and for fostering teamwork and competition:

In this age of increasing need among the young generation to increase their social quotient there are games available which can be used for this purpose. In the context of the work environment, peer recognition can be become important for fostering teamwork and engaging employees meaningfully by increasing the 'we-feeling' and bond among various work groups and teams. This is important since in this multi-tasking environment, people may need to have multiple affiliations and work in various

cross- functional and multi-tasking groups. Maintaining self-efficacy, identity and sense of worth and belongingness is of vital importance. In this context, self-managed companies use games like *DueProps* which gives points and recognition for meeting goals. It is available at Dueprops.com for a reasonable price of $29 per month for 20 users and is suitable for use in various small and medium-sized organizations or selectively even within larger companies (HR Specialist 2014).

However, it must be, remembered that gamification used in the context of creating peer recognition must almost always be used in conjunction with traditional methods of rewards and recognition by top management and not as a substitute. Research has shown that when used in addition to the traditional methods, they are likely to produce better results. Some guidelines commonly suggested for using gamification are pointed below:

- Games that eventually provide peer or social recognition, financial rewards or career advancement are most effective.

- Changing games one or two times a year to prevent boredom can prove beneficial.

- Using gamification as a supplement and replacing traditional recognition and rewards may work better for companies.

- Gamification works best with jobs and activities that are repetitive and have measurable results.

138

Some of the other benefits that may be derived from the usage of gamification are (HR Specialist 2014):

Effective training: There may be several difficulties which may be faced by companies for on-boarding new employees. The issues may be related to job as well as cultural factors and previous experiences carrying the hangover effect of the work culture of the earlier companies from which employees come as they enter they enter the new organization. Gamification can lighten the mood and help newcomers to enjoy themselves in the new company and ease out in the new workplace. By offering rewards and prizes to workers who participate in the training programs, organizations can help new personnel feel welcome at the workplace.

Enhanced morale: Seeing one's name at the top of any *leaderboard* is a big self-esteem boost. By offering employees the chance to be winners in their offices, organizations can be successful in keeping them happy and motivated. The morale boost should work for employees, both at the top and bottom of the organization hierarchy.

Reinforcement and feedback process: With any game system, the goal is positive reinforcement. Employees do not want to be told what they've done wrong. Rather, they want to be encouraged when they engage in behaviors that benefit their companies and themselves. Thus, gamification can definitely help in providing feedback to the employees in inducing and enhancing positive and result-oriented behavior in the workplace.

Usage of HR App and Social Media in Gamification

Gamification is more than just games. It is a new way of looking at interaction. As with all emerging concepts, the success of gamification implementations rely heavily on a cross-disciplinary collaboration. Game designers, mobile application developers, educators, marketers, social network gurus all need to play together to make this exciting concept work (http://www.hrmguide.co.uk/communication/hr-app.htm).

Gaming theory is a way to engage and/or communicate with employees in an interactive fashion that supports usage of more gaming or social media experiences than traditional email or paper communications. This way, the game theory is conceived as a way of interacting with employees in the way that best suits them. By building encouragement into the interaction process, companies can improve engagement and commitment.

One of the effective ways of using game based technique for understanding employee engagement is the use of mobile apps to gain instant feedback. Utilizing smart phones and mobile devices that employees tend to have with them today in the workplaces, provides companies an opportunity to obtain instant feedback from employees on crucial issues affecting or involving them, largely. Since, employees are able to answer the questions in real time, the likelihood of a response is increased. In fact, it has been found that that employees are three times more likely to respond to a short survey delivered via an app than they are an email or paper-based survey.

According to Gartner, game theory and gamification can dramatically increase participation in Human Capital Management (HCM) processes, and HR teams should apply it to low response activities.

It would be possible for organizations to get an inkling about employees feelings and sentiments on particular issues from an app much quicker than using more traditional survey methods. The mobile app can gather information instantly. This would obviously help companies to take proactive measures to avoid potential problems on the basis of quick survey-based results on real-time basis, even before they unfold or become an uncontrollable issue, causing dissatisfaction and discomfort among the employees.

An app also helps HR Directors with their ability to provide updated real-time data that can be placed in Board meetings to support proposals or to substantiate budget requests. As technology provides companies greater insight about company performance, albeit with the advent of 'big data' techniques, HR is under more pressure to provide measurable proposals to the Board and Management team.

Basically, there are two ways in which HR can utilize a mobile app. It can be used as a standalone method to push short questions to employees about specific events occurring internally, or it can be employed as an extension to existing surveys. For example, if the results of a peer-review highlight a specific issue, HR can investigate additional issues by posing questions via the app to investigate it, specifically.

Companies are required to become increasingly technology savvy with the rise in usage of gamification in the workplace. By adopting tools that employees are comfortable using on the move, HR and internal communications departments can capture employee opinion on real-time basis. Provision of data without delay means that results can be used to not only develop plans for improvements to working practices, but also improving retention rates in organizations as method of talent retention process.

Criticisms Against the use of Gamification in Organizations

In gamification, work functions are turned into games with the assumption that employees who are having fun at work, will become more motivated and engaged, leading to an increase in productivity. For example, customer service agents could be motivated to work harder, if they form teams to compete for game points and level advancements, each time, they quickly and satisfactorily answer a client query.

But of late, criticisms of gamification have been increasingly gaining support, as companies discover that psyching up the workforce takes more than fun, frolic and enhanced hyped up environment in the workplace. Indeed, both critics and supporters alike believe that an effective game requires expert game design. It is not a simple matter of rewarding employees with badges and points that will magically turn them into power-producers; an effective game must be immersive, engaging and supported by employees. It is definitely related to engaging employees

142

seriously and build a sense of commitment to their workplaces and organizations for continued support and performance. Even the process of retention of employees and the succession planning may be influenced by the process of gamification in the medium and long run in the life cycle and sustainability of an organization. Moreover, gamification should be used as a strategy to balance competition and collaborative elements, rather than merely create a hyped up workplaces where people lose track of the overall business goals and look at short-term gains only (Http://knowledge.wharton.upenn.edu/article/ gamification-powering-game/).

According to Mollick and Rothbard (2014), gamification is not just about fun. It's about how the company engage enough the employees to ensure they that the employees want to stay at work. The authors discovered that giving people a choice of theme gave them a feeling of empowerment that helps them embrace the game. The idea is to make gamification cooperative and not imposed. Mollick and Rothbard also point out that, whereas, traditional management techniques change the work process itself to improve enjoyment among workers, gamification does not change the task, but rather sets a game on top of it. The authors opine that the game provides an ephemeral "game layer" that changes the experience of work without redesigning the actual job, a phenomenon that has been described as "chocolate-covered broccoli." However, gamification can work where it makes employees who consent to play happier at work, which is actually beneficial for the companies. There is evidence that

feeling good about work does improve productivity. It shows that positive emotions lead to higher quality of customer service, while negative emotions lead to unproductive time.

Another research survey by Pew Research Center and Elon University survey in May 2012 of more than 1,000 Internet experts and users showed that they were about evenly split on gamification's future: 53% believed it would become widespread with some limits, while 42% opined that it would not transform into a broader trend, except in specific situations (http://knowledge.wharton.upenn.edu/article/gamification-powering-game/).

Werbach and Hunter (2012) opined that, gamification builds on psychology from management, marketing and other disciplines, with some added concepts from game design. However, he stated that, just like any other management tool, it can be oversold or abused. It needs to be done thoughtfully to have a good chance of success.

Companies also need to be careful about encouraging extrinsic motivation at the expense of intrinsic motivation. Examples of extrinsic motivation are cash rewards for winning a company-imposed game. However, it can backfire, since, employees could be trained to out perform only if they get specific rewards, instead of being intrinsically motivated to enjoy the job for its own sake (stated in http://knowledge.wharton.upenn.edu/article/gamification-powering-game/). In this context, Juul pointed to the subprime-mortgage meltdown that led to the U.S. financial crisis in 2008 as an illustration of how rewards can motivate destructive behavior. Employees were getting

bonuses on the number of loans they approved, regardless of their quality. This is in line with the findings of Mollick and Rothbard's experiment.

Gamification must, therefore, not be implemented in a "shallow way, with all the focus on external rewards" and discounting the underlying activity as stated by Werbach &Hunter (2012). He advises managers to be aware of the limitations of gamification and to keep it within a structured design process. "Well-designed gamification can make employees feel more empowered in their tasks, because it gives them a wide range of feedback and a stronger sense of accomplishment."

Concluding Remarks

It is clear from the above, that as companies become more technologically progressive and the working population consists of a large number of people from the younger generation, techniques like gamification can be highly successful to motivate and retain employees, at least, in the short run. However, as pointed out by critics, though workplaces can be fun- filled, it cannot lose sight of the basic or core principles for which it exists. The vision and mission of the company translated into specific organizational goals must be linked to specific group and individual goals, where, there must be specific processes and process owners to fulfil the goals to achieve overall organizational goals and targets. Of course, to cut down and alter the drudgery that accompanies work schedules and target-oriented routines within organizations' working environment, gamification can help employees to remain

motivated by engaging themselves in a game playing situation for getting rewarded on an extrinsic motivational basis. But, the sheer seriousness and derivation of motivation from intrinsic factors like learning the job, and aligning oneself with organizational culture, wanting to contribute by learning in a multi-tasking environment and wishing to contribute by taking on added responsibilities in a job cannot be substituted by provision of extrinsic motivation through a process like gamification. Therefore, though gamification as a technique and as a strategic tool have legitimately established its place in the current organizational context as an employee motivational tool or as powerful instruments of gathering quick data to enable management of organizations to take pre-emptive measures to contain trying situations , their impact on the organizational climate needs to be studied in-depth and only further research on this subject can throw light as to its full blown effects in the context of organizational climates and cultures in the near future.

References

Gartner Inc.: Innovation Insight: Gamification Adds Fun and Innovation to Inspire Engagement. Published: 20 December 2011. Analyst(s): Brian Burke.

Gartner Inc.: Predicts 2012: Organizational Politics Hampers, Gamification Motivates BPM Adoption. Published: 15 November 2011. Analyst(s): Elise Olding, Michele Cantara, Janelle B. Hill, Donna Fitzgerald, Brian Burke, John Dixon, Teresa Jones.

http://www.techhui.com/profiles/blogs/the-next-game-changer-after

http://blogs.hawaiibusiness.com/2011/06/27/the-next-game-changer-after-social-media-gamification/).

http://knowledge.wharton.upenn.edu/article/gamification-powering-game/

http://venturebeat.com/2011/01/21/usa-network-scores-with-gamification-on-psych-tv-show.

http://www.snowfly.com/Blog/post/2012/02/21/Case-Study-Gamification-Based-Employee-Incentives-Aimed-at-Improving-Sales-in-a-Restaurant-Environment.aspx.

http://www.hrmguide.co.uk/communication/hr-app.htm. HR app asks workers "how d'you feel right now?"

http://www.ted.com/talks/dan_pink_on_motivation.html.

http://gamification.co/2012/01/20/ibm-study-reveals-effect-of-gamification-withdrawal

http://www.bloomberg.com/apps/news?pid= conewsstory &tkr=AET:US&sid=ahhdxqa9XmBU

http://www.ted.com/talks/dan_pink_on_motivation.html

http://gamification.co/2012/01/20/ibm-study-reveals-effect-of-gamification-withdrawal

http://blogs.hawaiibusiness.com/2011/06/27/the-next-game-changer-after-social-media-gamification/

http://www.techhui.com/profiles/blogs/the-next-game-changer-after

http://www.hrmguide.co.uk/communication/hr-app.htm

Mollick, E. R. & Rothbard, N. (2014). Mandatory Fun: Consent, Gamification and the Impact of Games at Work. September 30, 2014. The Wharton School Research Paper Series

Palmer, D., Lunceford, S., & Patton, A. J. (2012). The Engagement Economy. How gamification is reshaping businesses. Deloitte Review. Issue 11.

The HR Specialist (2014). How HR can use 'gamification' to recruit, train and engage employees. February 10. in http://www.businessmanagementdaily.com/37753/game-on-how-hr-can-use-gamification-to-recruit-train-and-engage-employees)

Werbach, K. & Hunter, d. (2012). For the Win: How Game Thinking Can Revolutionize *Your Business. Wharton Digital Press (30 October 2012).*