



THE FUTURE OF WORK: PRINCIPLES OF WORKPLACE GAMIFICATION

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Published: 9/22/2016

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EXECUTIVE SUMMARY

Futurum Research provides research, insights and analysis to the market that help tie leading and emerging technology solutions to strategic business needs. The purpose behind each of our reports is to help business executives and decision-makers gain a better understanding of the technologies driving digital transformation, connect the dots between the practical business requirements of digital transformation and the forces that impact employees, customers, markets and experiences, and take appropriate action regarding critical digital transformation opportunities.

Executive Summary

This report is a structural and best practices overview of workplace gamification and how it can be leveraged to drive positive organizational outcomes. The report outlines the current employee engagement crisis and the impact it is having on productivity, retention, and organizations' ability to adapt to change, including digital transformation. The report then provides a clear operational framework of outcome-driven implementation that can be applied by any

business regardless of size or vertical. This framework includes layered goal-setting, organizational psychology, technology integration, and best practices

Companies mentioned: Salesforce, Jive, SAP, BMC, Yammer, Microsoft, IBM, Zendesk, PricewaterhouseCoopers (PwC), Lithium, Workday, Wordpress, Skillsoft, Badgeville, Bunchball, Fitbit, Strava, Niantic.



INTRODUCTION

Addressing the Current Employee Engagement Crisis

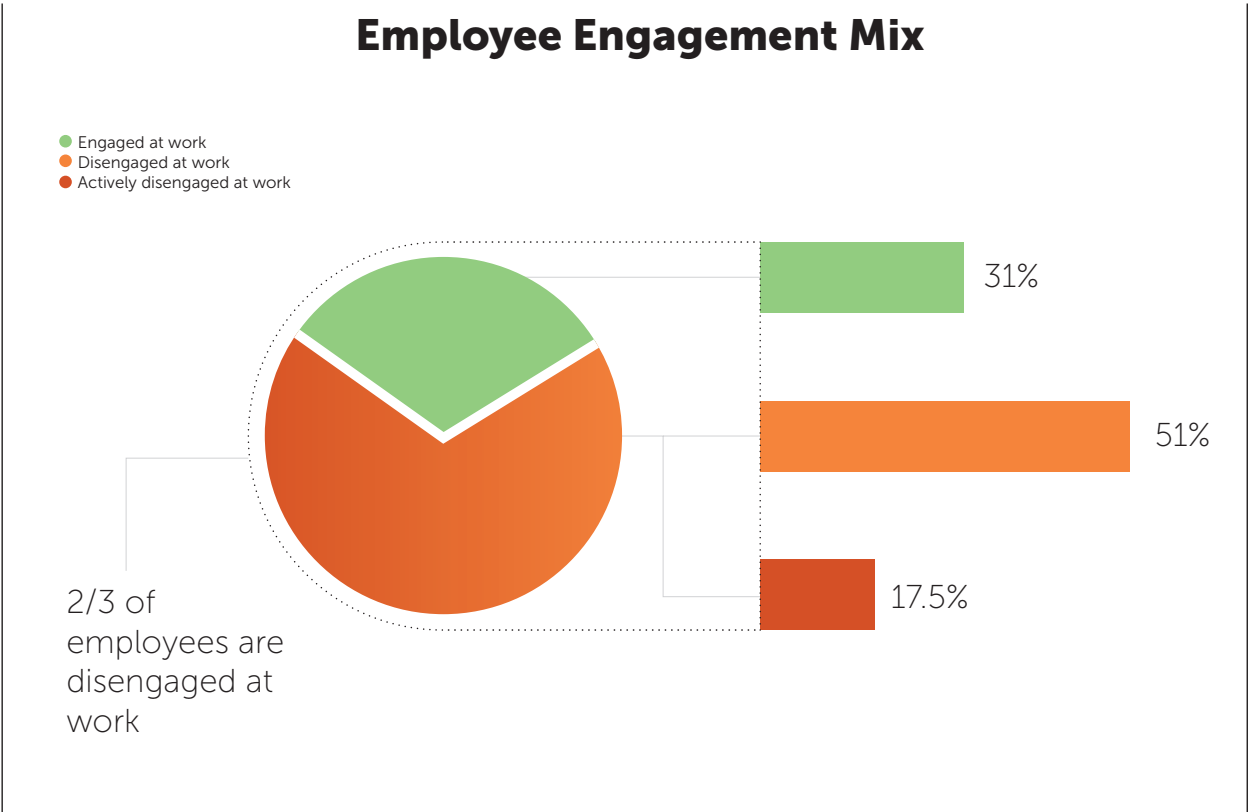
Employee productivity, engagement and retention have always presented difficult sets of challenges for companies of all industries and sizes, and none more so than today, when organizations find themselves under more pressure than ever to drive productivity, profitability and growth with fewer resources each year. The global trend towards “doing more with less” has left organizations and their HR departments stretched thin. Leaving employees to bear the brunt of increasingly stressful professional environments, which they often feel, ask more of them than they receive in return.

In spite of the significant relief already being provided by digital tools leveraging Cloud solutions, Big Data analytics, mobility, increasingly fast connection speeds and digital task automation, the majority of workers across virtually every industry

still manage larger workloads than they used to just a decade ago. They are also left to work longer hours, and don’t feel that their wages have risen in proportional to the additional work they are doing. Whether we are heading towards a breaking point or an inflection point isn’t yet clear, but it is worth noting what kind of impact this combination of high stress and low workplace gratification is having on overall employee engagement.

A 2015 Gallup study revealed the extent to which this has become problematic. Per Gallup, only 31% of employees, less than a third, are engaged at work. Meanwhile, the other two thirds are either passively disengaged (51%) or actively disengaged (17.5%).

Here are those numbers side by side to convey their severity:



The Millennial Engagement Gap

Furthermore, Gallup's generational segmentation revealed that of that 31% group of engaged employees, Millennials are the least engaged, with 28.9% compared to Gen X & Boomers, which, combined, balance the equation at 32.9%¹. We consider this insight important because Millennials will account for roughly 75 percent of the global workforce by 2025, and if nothing is done to reverse this trend, it will be excruciatingly difficult for companies whose employees are 71% disengaged to be successful in an increasingly competitive global market.

As we have observed with every industry leader, from Apple and Alphabet to Starbucks and Amazon, that employee engagement is one of the most critical contributing factors to not only overall success, but

also to an organizations' ability to innovate, adapt to change, identify and pursue emerging market opportunities, and build loyal communities of users and customers. Solving the problem of eroding employee engagement is one of the most important areas of research we have committed ourselves to, particularly as it relates to our focus on the future of work.

In this report, we will focus on the role that workplace gamification can play in addressing the employee engagement gap. We will outline a layered mechanism by which organizations of all sizes can leverage technologies they are already familiar with and common-sense methodologies to build a data-driven, behavior-based, culture-specific employee engagement engine using workplace gamification.

What is Workplace Gamification?

Workplace gamification is the process by which game design and game mechanics are applied to a professional environment and its systems to engage and motivate employees to achieve goals.

These goals can be personal goals, company goals, or a combination of both, and typically rely on common human motivators like competition, collaboration, achievement, status, altruism, and sense of community. Typically, game mechanics rely on challenges, points, levels, badges and leaderboards to incentivize and reward users, but when applied to the workplace, other forms of incentives can be added into the gamification layer. Among them: Cash bonuses, advancement opportunities, physical awards, outward recognition, and specialized training.

Workplace gamification is no different from other categories of gamification except for its focus on workplace-related objectives. These can range

from helping employees improve job-related skills to boosting their overall productivity. Sales spiiffs and contests are common versions of traditional workplace gamification, but digital technologies now provide organizations with a plethora of options to embed gamification as an identifiable and purpose-driven layer into every aspect of their employees' functions. This new generation of gamification tools is designed to drive a wide array of behaviors and outcomes with mutually beneficial effect for both an organization and its employees. The starting point, as always, is to determine specifically what outcomes the organization and its employees would like gamification to drive. The more relevant the outcomes, the more effective and valuable the gamification layer will be.

1. <http://www.gallup.com/poll/181289/majority-employees-not-engaged-despite-gains-2014.aspx>

PART I: DEFINING OBJECTIVES

Start with Goals in Mind

Gamification, like all methods, processes and tools, is merely a means to an end. Before diving into a detailed overview of the means (workplace gamification), we have to first identify the end: the organization's internal objectives.

The first series of question that needs to be answered before selecting gamification technologies, tools and methods is this:

- *What are we trying to accomplish?*
- *What needles are we trying to move?*
- *What problems are we trying to solve?*
- *What successes are we trying to scale, build on, or improve?*

These four questions form the crux of the initial round of discussions that has to take place, both at the overall company level and at the departmental, line of business (LoB), or team level. As workplace gamification's purpose will

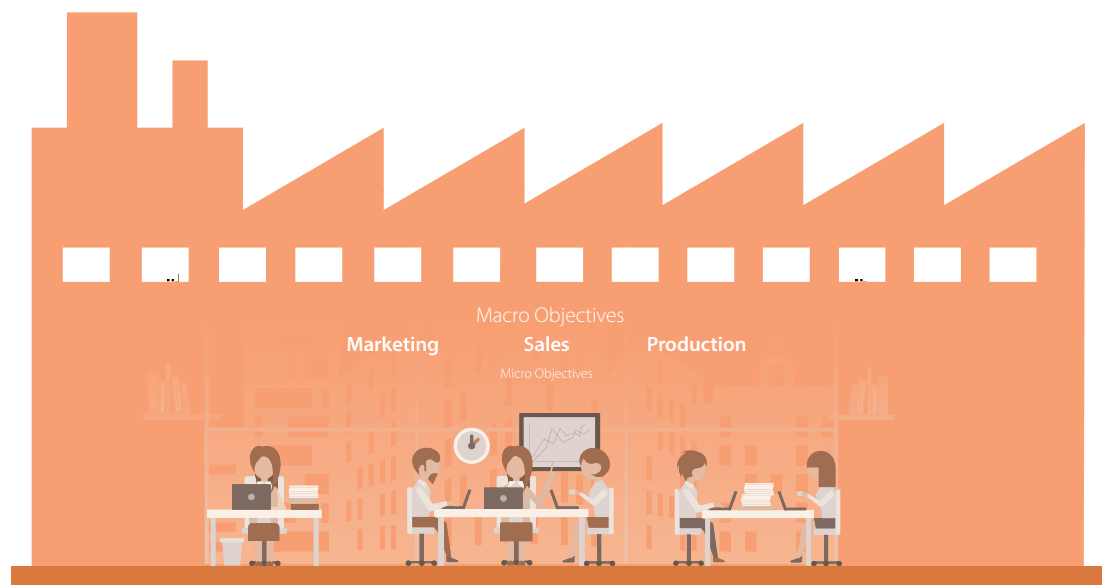
be to drive positive behaviors and curb negative behaviors, it is vital to begin the process by making a list of goals, objectives, and even targets that should be the focus of the program; the more measurable the goals, the better.

Defining Macro and Micro Objectives

It is important for every silo, group and tribe in the organization to go through this process in addition to the company's overall discussion about goals, objectives and targets. This is because while some objectives may apply to the organization as a whole, and need to be deployed company-wide, many have to focus on smaller, more localized points of focus. Each department and team has its own set of problems to solve and successes to build on, and these also have to be identified in order to incorporate them into the program.

One way to separate these two categories of goals and objectives is to divide them into Macro Objectives (pertaining to the entire company) and Micro Objectives (pertaining to specific elements of the company).

Macro Objectives vs Micro Objectives



Examples of Macro Objectives

Macro Objectives are objectives that are applicable and relevant to every member of the organization, from CEO on down to the most junior hire. Another way to look at this category is to think of these objectives as generalist objectives, as opposed to objectives relating to specialized skills.

- **Deep onboarding:** Help employees gain a better understanding of what the company does as a whole and how it does it. Make all the puzzle pieces fit.
- **Resource optimization:** Help employees connect with peers they haven't met yet whose skills and expertise may help them improve their success.
- **Career advancement:** Help employees develop leadership skills at their own pace.
- **Improve productivity:** Help employees learn and apply effective time management skills, teach them how to become power users of the company's general-purpose technology solutions, and create structure around common activities like project planning, creative ideation, process optimization, and project management.
- **Reduce internal friction:** help employees learn how to communicate effectively in professional environments.
- **Build a teamwork culture:** Help employees learn how to work better as a team than by themselves.
- **Eliminate toxic behaviors:** Help employees identify harassment and other negative behaviors, then deal with them appropriately.
- **Increase wellness:** Empower employees to improve their diet, activity level, and stress levels.



Examples of Micro Objectives

Micro Objectives refer to specialized functions. Unlike the Macro/generalist objectives, these relate to specific skillsets, departmental needs, or role-based activities. Here are a few examples:

- **Improve develop deep skillsets:** Help employees deepen their practical knowledge of key technology solutions unique to their roles and/or function - like CRM, CMS, inventory management systems, data monitoring, billing, etc. – by gamifying training.
- **Manufacturing:** Help employees improve safety and reduce the risk of accidents on the production floor.
- **Shipping:** Help employees learn how to minimize damage to products during the shipping process.
- **Digital Marketing:** Help employees post content to digital channels and reply to comments throughout the day to improve breadth and consistency of engagement across digital channels.
- **Sales:** Help employees build stronger relationships with customers, close more deals, and sell more.
- **Customer service and support:** Help employees resolve tickets faster, and improve customer satisfaction.



Defining Short Term and Long Term Objectives

Once objectives and goals have been identified, the second step in the process is to divide them in terms of short term and long term objectives. For the interest of simplicity, it is best to avoid medium-term goals and objectives. Make objectives either short term or long term. As a rule of thumb, any target set along a monthly, quarterly, or half year timeline should be considered short term. Anything with a twelve month outlook or longer

should be considered long-term.

Note that setting short term milestones and intermediate goals on monthly and quarterly timelines can help drive long term goals. It makes sense to break down long term goals into small portions, like steps in a flight of stairs. The long term goal doesn't stop being a long term goal. It merely informs the creation of a subset of intermediate goals which fall into the short term goal category.

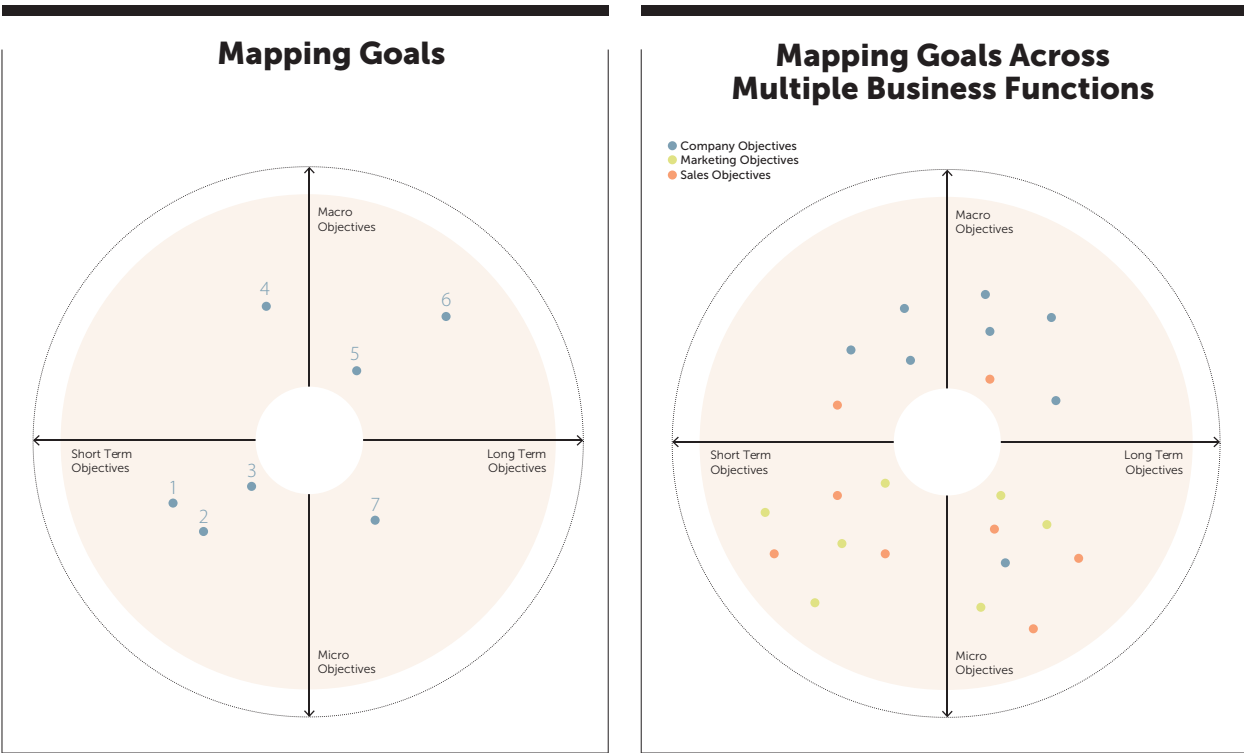
PART II: ORGANIZING AND PRIORITIZING GOALS TO BE INCORPORATED INTO THE COMPANY'S GAMIFICATION PROGRAM

Bringing Clarity to a Complex Model

Once macro and micro objectives have been identified and divided into short and long term quadrants, the next step is to map them. Using a simple graph divided between macro, micro, short-term and long-termz quadrants is ideal.

a short-term macro objective, objectives 5 and 6 represent long-term macro objectives, and objective 7 represents a long-term micro objective.

As you begin to graph micro objectives from all of the company's departments, teams and roles, you may want to color-code those objectives. Being



In the above chart, objectives 1, 2 and 3 represent short-term micro objectives, objective 4 represents

able to identify who they relate to will later help you effectively incorporate them into the program later.



Applying Gamification to the Three Periods of the Employee Lifecycle

An important dimension of workplace gamification relates to the three periods of an employee lifecycle: employee acquisition, employee development, and long term employee retention. Put another way, workplace gamification should also be divided into three general categories, each targeting a particular mission relating to employee lifecycle management:

1. *Attracting employees*
2. *Developing employees*
3. *Retaining employees*

Working with HR professionals, organizations should strive to answer the following questions:

- How can we use gamification to help attract, recruit, and onboard new talent?
- How can we use gamification to help develop our existing employees into being happier, more effective, more productive, and more engaged than they already are?
- How can we use gamification to keep our best employees from leaving?

Objectives (both *micro* and *macro* objectives) tend to vary and evolve depending on where an employee happens to be in his or her employee lifecycle. For instance, macro objectives relating to recruiting and onboarding will tend to focus on helping a prospect and/or new hire learn the basics about the company: gain an appreciation for the company's values and policies, going through job expectations, pairing up with peers who will shadow them during these first few critical weeks, where and how to access resources, and adjust to their new role. Once they reach the development phase of their journey, those macro objectives will transition from introduction to improvement.

Designing workplace gamification without taking into account the need to address all three lifecycle

missions – acquisition, development and retention – is ultimately doomed to produce very limited results. For maximum effect, workplace gamification has to focus on all three.

Incorporating Goal Mapping Into Employee Acquisition, Development and Retention



How are Companies Already Using Workplace Gamification to Attract Employees?

Several years ago, PricewaterhouseCoopers (PwC) realized that most job candidates in one of its European markets were spending less than 15 minutes on its career website before their interviews. As a result, candidates arrived not as prepared as they could be, which resulted in a less than ideal experience for them and PwC recruiters. Onboarding for those who were ultimately hired was also an area PwC was looking to improve, and it turned to gamification to address these two issues.

PwC created a game called MultiPoly, which made learning about the company and its culture a little more fun and interactive than a traditional career website. The result was that job applicants spent up to ninety minutes playing MultiPoly (nine times longer than the ten minutes they were spending on the website), which gave them a much more thorough understanding of the company, its culture, and what to expect from the interview and beyond. As the game helped candidates familiarize themselves with the company, it ultimately helped improve not only candidate selection and interview

performance, but the post-hire onboarding process as well. The game ended its run in 2016, but its success endures both as a successful case study in recruitment gamification and an adaptable proof of concept for other companies.

How Are Companies Already Using Gamification to Develop Employees?

Earlier in this report, we touched on the opportunity to use gamification to help employees develop deep skillsets relating to specific technology solutions. This can be especially important for companies that are struggling with technology deployments and implementation. For instance, given that half of all CRM deployments ultimately fail, using gamification to help tip the scales of CRM implementation success in a company's favor makes good business sense. Gamification platforms like Badgeville and Bunchball were quick to seize on the opportunity, and created modular gamification layers for some of the world's most popular business platforms. Among them: Salesforce, Jive, SAP Jam and SuccessFactors Learning, NICE Workforce Optimization, BMC's RemedyForce, Yammer, Sharepoint, IBM Connections, Zendesk, Lithium, Workday, Wordpress, and Skillsoft.

Though results vary from one company to the next, adding a gamification layer to these platforms results in across-the-board improvements. Here is a short list of commonly reported categories of improvements curated from Badgeville and Bunchball case studies involving the above platforms:

- Increase in technology adoption
- Accelerated technology adoption
- Increase in revenue per user
- Accelerated learning
- Increase in user engagement
- Improved compliance
- Improved data accuracy
- Increase in new deals/sales
- Accelerated sales cycles
- Increase in forecast accuracy
- Increase in collaboration
- Increase in user productivity
- Improved partner management (channel)
- Improvements in customer service and support
- Increase in user/employee motivation

How Can Companies Use Gamification to Retain Employees?

It would be dishonest to claim that technology alone will help most companies reduce their employee turnover rate and retain their best people. Gamification alone won't do it, just like hefty bonuses and company perks won't necessarily achieve that outcome either. Truth is that employee retention, especially in the long term poses a major challenge for almost all businesses.



Reasons that motivate employees to stay tend to exist on a spectrum. Each reason holds a different position along that spectrum for each individual employee. For some, high pay will be at the top of the list. For others, status and recognition are more important than money. Also on the list: pride in the company or one's job title, a sense of purpose, having a positive impact on the world, great health benefits, location, flexible hours, pet-friendly offices, easy access to a gym, free products can all motivate employees to want to stay. A great boss, a great team, a fun environment, challenging problems to solve, amazing clients, a culture of innovation and ideas, these all come together to create the kinds of cultures that will tend to make employees love what they do, love who they do it with and for, and love where they get to do it every day. The more of these motivators a company can string together, the more likely that company will be to retain its employees.



What we are talking about is culture, and specifically, a culture focused on retention. Companies that understand what the building blocks of a culture of retention are and take the time to implement them will typically enjoy high retention rates. Culture has to come first, and gamification second. In other words, gamification cannot be treated as a short-cut when it comes to helping companies improve

employee retention. It has to be used as an internal amplification tool for existing cultures of retention. Cart before horse.

How does a company know if they are a culture focused on retention? Here are a few strong indicators:

- Companies that already look for ways to reward employees for the right behaviors and outcomes.
- Companies that already offer employees opportunities for growth, training and advancement.
- Companies that already do everything they can to empower their employees to be active participants in the company's growth and success.

Companies that reflect any or all of these traits will have a much easier time integrating a gamification layer into their existing culture of retention. Especially in comparison to companies that haven't taken the time to build the foundations of one.

Once a company understands the full range of motivators that drive long term employee retention, the next step is to incorporate those motivators into their gamification program. What would that list look like? Here is an example:

- **Financial:** Create contests with financial rewards.
- **Fun environment:** Inject short (3 minute) games into an employee's day to help them de-stress.
- **Sense of purpose:** Create daily quizzes that emphasize the company's impact on the world or an industry. Include charitable giving and philanthropic causes the company is involved with.
- **Great coworkers:** Inject a team/collaborative dimension into the gamification layer to promote teamwork, collaboration, and esprit



de corps. (Think of Pokemon Go's red, blue and yellow teams, for instance, or Hogwarts houses in the Harry Potter series.)

- **Innovation and ideas:** Incorporate problem-solving and puzzles into the gamification layer.
- **Competition:** Test employees on their knowledge of the company and its industry.
- **Advancement and opportunities:** Use gamification to help employees accelerate their corporate learning, sharpen their skills, and create paths to certification and advancement.
- **Great boss:** Create bonus rounds in which an employee can virtually partner with their boss or another executive to score additional points and/or unlock special rewards.
- **Loyalty:** Reward employees with streak,

longevity, and comeback rewards and bonuses. Create bonus games, levels and rewards (digital and real-world) that can only be unlocked after they have been with the company for a certain amount of time.

By creating a range of games and activities that touch on as many retention motivators as possible, a company's gamification layer can not only make gamification relevant and engaging for a large percentage of a company's workforce, but reinforce the very factors that ultimately help drive employee retention.

In addition, gamification, when designed and executed properly, can help employees feel more empowered and in charge of their own careers and success by facilitating goal setting, providing performance feedback, and accelerating e-learning. For employees, especially those who may be feeling the itch to move on, having tools in place that give them unique reasons to stay can be the difference between losing or retaining a valuable asset.

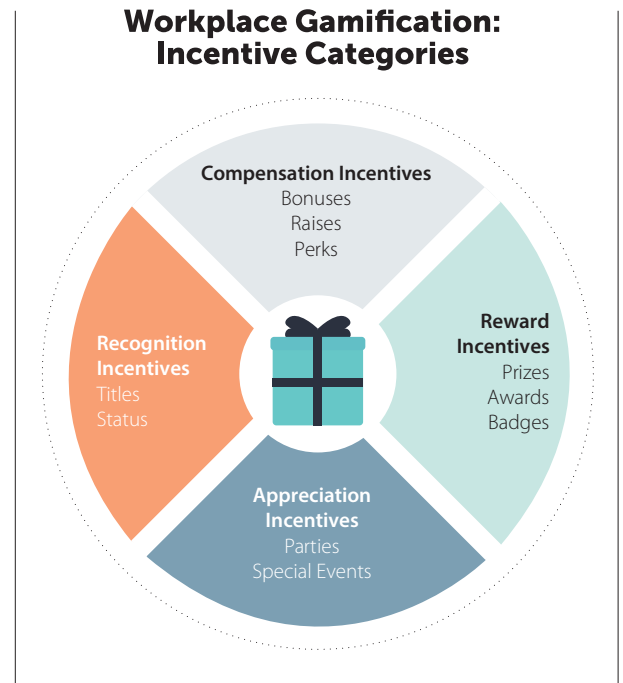
PART III: THE IMPORTANCE OF REWARDS AND INCENTIVES

A Quick Word on Rewards and Incentives

For the sake of simplicity, incentives can be divided into four distinct categories:

- Compensation incentives, like bonuses, raises and permanent employee perks.
- Reward incentives, like cash prizes, non-cash prizes, and awards.
- Appreciation incentives, like company parties and special events.
- Recognition incentives, which focus on establishing status and social standing within the company.

To illustrate the range of the reward incentives category - which usually represents the lion's share of gamification incentives -note that digital achievement badges and real-world sales spiffs fall into this category.



Incentivizing Group Performance Alongside Individual Performance

It is also important to remember that in organizations where improving collaboration, teamwork, and group cohesion are stated objectives, incentives should also reward team and group performance, not only individual performance. We already mentioned Pokemon Go's red, blue and yellow teams, as well as the Hogwarts houses (from the Harry Potter books) as examples of how to create a team ecosystem within the gamification layer.

We recommend that you sit down with developers and gamification solutions providers to discuss how to allow employees to join groups and teams within the gamification layer, both symmetrically and asymmetrically.

Symmetric teams are based on the company's org chart: If Bob happens to be working as a digital business development rep on Jane's Sales Team team, and that team belongs to the Software Sales

Group, then Bob's profile in the gamification layer should be attached to both Jane's Digital Business Development team and the Software Sales Group. This will make it easier to batch gamification achievements together by team and group to calculate group contest winners and analyze performance at the team and group level (which we will talk a little more about in a few moments).

Asymmetric teams are not based on the company's org chart. They are random. Their purpose is to create esprit de corps and collaboration across silos, which is an important component of workplace gamification. As important as it is to use gamification to drive cohesion and common purpose within working teams and departments, it is equally important to ensure that in doing so, the company doesn't end up reinforcing a silo-based entrenchment mentality. Bringing asymmetric teams into the gamification mix creates a vehicle by which employee collaboration and cohesion are not only expanded beyond silos, but rewarded and encouraged. On the company-wide level (a macro-

objective), leveraging workplace gamification to create connective tissue and a broader, silo-agnostic team mentality across the company is vital to the growth and health of a healthy company culture. A good example of where team asymmetry can work well would be something like a health and wellness program, where common goals

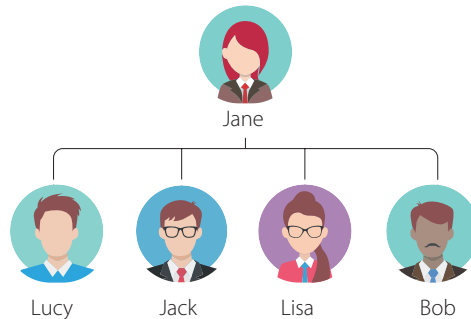
aren't necessarily tied to departmental objectives. (Team symmetry, on the other hand, works better for programs that aim to drive department-centric goals, like unit sales or revenue targets.) Unfortunately, principles of team asymmetry are often glossed over, to the detriment of company-wide gamification programs.

Symmetric Team Structure vs Asymmetric Team Structure

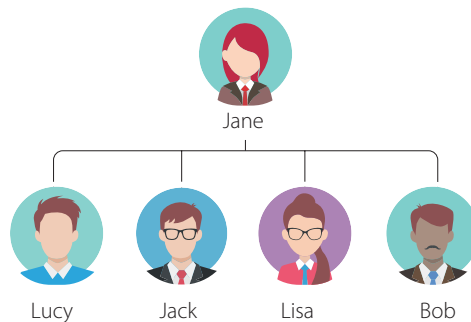
Symmetric Team Structure

Org Chart

Sales Team



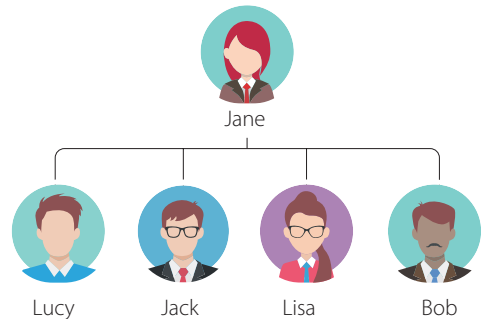
Team Composition



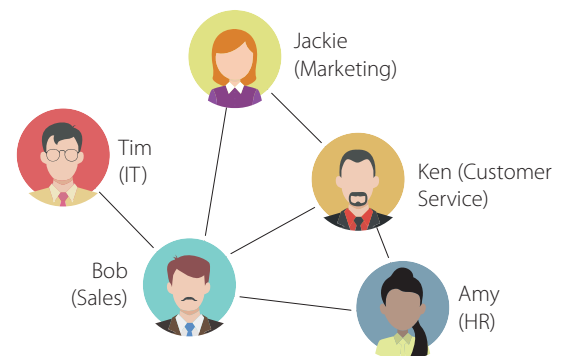
Asymmetric Team Structure

Org Chart

Sales Team



Team Composition



Driving compensation incentives is a little more complex than driving reward incentives like badges and prizes. Our recommendation is that companies should use the gamification layer to create challenges that double as clear paths to advancement. Our quadrant for employee development includes four dimensions:

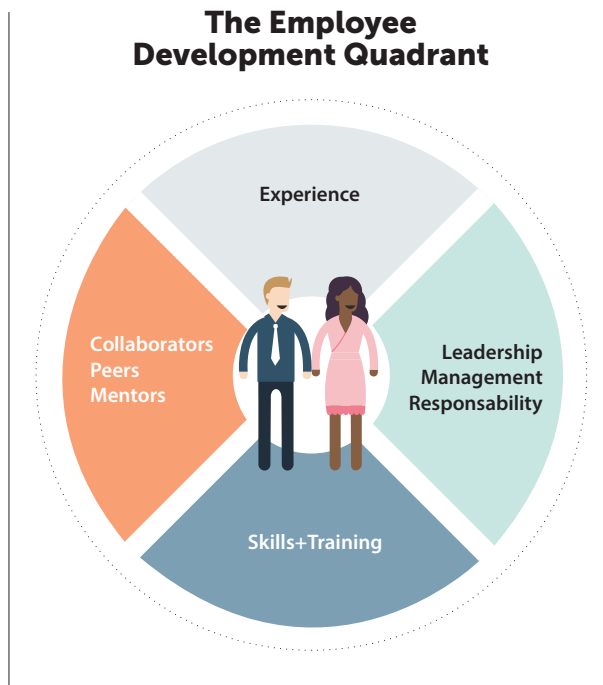
- Experience
- Skills and training
- Leadership, management, and responsibility
- Collaborators, peers, and mentors

- Create opportunities for leadership, management and responsibility, then tie them to challenges and accomplishment milestones
- Help employees create a network of collaborators, peers and mentors that will help propel them forward

However, don't just stop there. Workplace gamification is also a social, community-driven ecosystem, and competition drives success. Make paths to success and high achievement visible to all. By making high achievers' milestone achievements and digital badges visible to all, they become flagstones along the path that high achievers tend to follow. Having visibility to this will help other employees looking to follow in their footsteps understand what they have to do in order to move up as well.

Short-Term vs. Long-Term Challenges and Incentives

One final word on incentives: It is also important to layer incentives along short-term and long term timelines. The employee engagement spectrum, along with employee motivation, requires a mix of short term and long term goal setting and achievement. Too much emphasis on short-term challenges will keep employees from setting long term paths to success, which can work against employee development and retention objectives. Too much emphasis on long-term challenges can have the opposite effect, by making achievements and incentives seem too difficult to achieve. Combining short-term and long-term incentives will keep employees engaged and motivated on a daily basis, and their short-term success will help bridge the gap between where they are today and where they may wish to be a year from now. Remember, feedback is important. Integrating ongoing collaboration and communication into a gamification strategy can help to strike the right balance between short term incentive value and long term incentive value.



On the one hand, challenges built into the gamification layer should specifically target the following four dimensions:

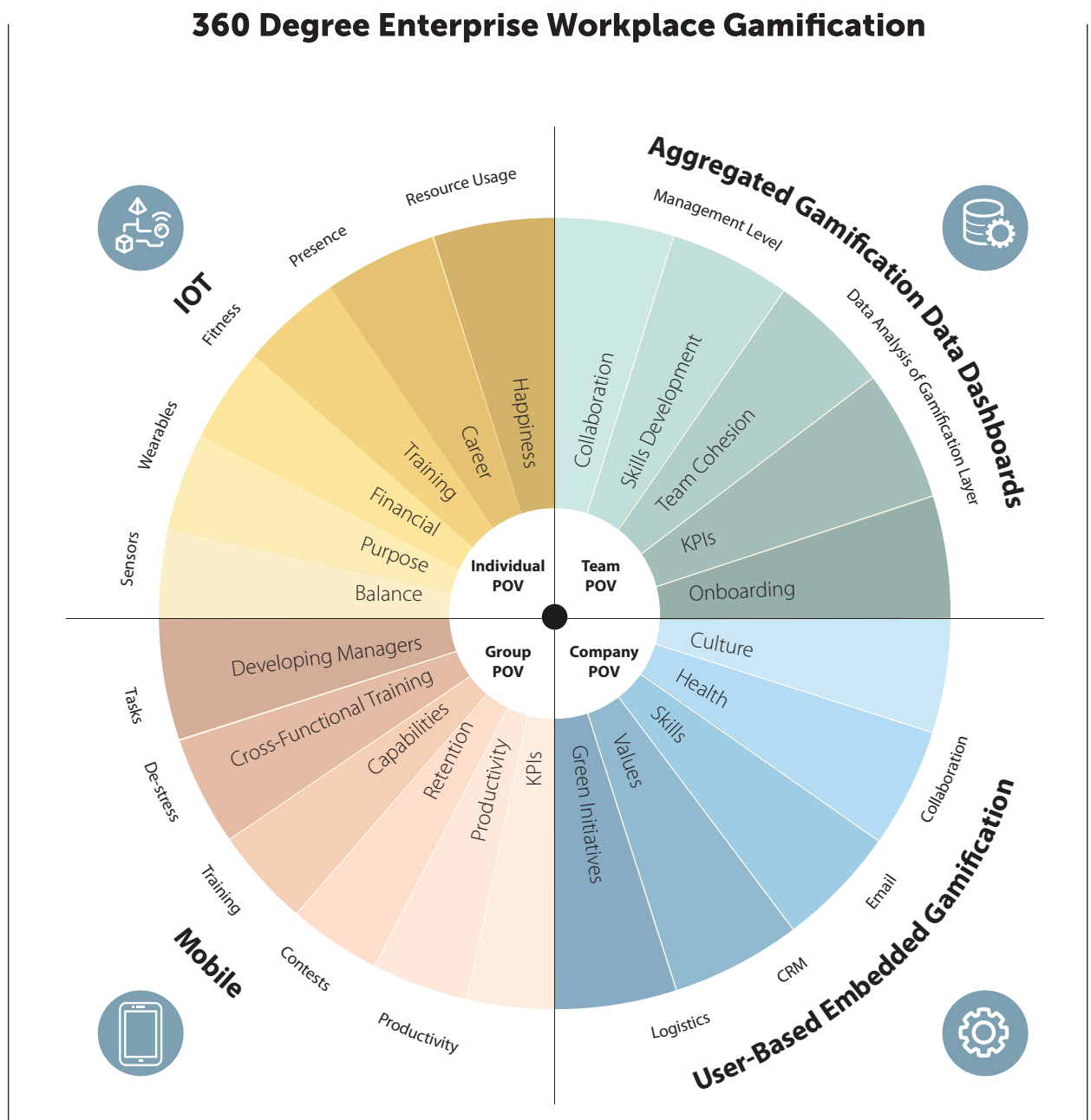
- Build additional depth and breadth of experience
- Reward the acquisition of new skills and the completion of additional training

PART IV: BRINGING IT ALL TOGETHER

Mapping Company-Wide Gamification

Now that we have covered the fundamental elements of workplace gamification planning, it is time to put all of the pieces together. The diagram below (fig. 8) is an example of what a fully developed workplace gamification plan should look like. It

incorporates all of the principles we have already covered, and organizes the gamification ecosystem into three layers: The POV (point of view) layer at the center, the OD (Objective Dimension) layer around it, and a technology layer that outlines what combination of solutions enable the program function.



In this example, the company's workplace gamification planning has evolved from the basic dual Macro and Micro objective model we introduced earlier in this report to a more enterprise-focused model, adapted to the complexity of a large corporate ecosystem. Instead of Macro and Micro objectives, we find a POV layer composed of four levels of focus:

- Individual focus
- Team focus
- Group focus
- Company focus

Note the progression from individual to team, then from team to group, then from group to company. In this context, Micro and Macro are not absolute categories of objectives but instead exist on a spectrum. Dividing this core layer into four levels allows the organization to simultaneously address the needs of their individual employees, the teams they work in, the groups that manage the teams, and the company's overall needs without creating interference or confusion in the gamification planning, process, and management. Under this model, each keybuilding block of the organization has a hand in developing its own layer of objectives, motivators, and games.

The Individual POV Quadrant

The OD layer outlines the specific objectives and motivators pursued by each segment of the POV layer. In Fig. 8, we see that the section of the OD layer that serves the Individual POV quadrant focuses on the following:

- Happiness
- Career Advancement
- Advanced training
- Financial Rewards
- Sense of Purpose

- Work-Life Balance

Note that this is only an example, and not a definitive list. Companies and their employees should feel free to explore what other objectives and motivators apply to them. Each company is unique and should treat this process accordingly.

The Team POV Quadrant

In our example, we see that the section of the OD layer that serves the Team POV quadrant focuses on:

- Boosting collaboration
- Developing deep/specialized skills
- Fostering team cohesion
- Helping the team deliver key KPIs
- Improving the onboarding of new teammates

These team-specific objectives and points of focus may not be immediately clear to a group or departmental manager, which is why our hypothetical company elected to create a team-level POV quadrant. Segmenting gamification to both match and address the needs of specific organizational layers is the kind of thinking that will help you properly integrate gamification across your entire company.

The Group POV Quadrant

Next in our example is the OD layer that serves the Group POV quadrant. Again, the objectives listed here are different from those found at the team level. They are:

- Developing competent managers
- Rewarding cross-functional training
- Expanding group capabilities
- Improving retention



- Increasing productivity
- Drive key group KPIs

Group and departmental objectives, while not divorced from team-level objectives, tend to be slightly more strategic in nature. Whereas team-level objectives may focus more on teamwork and tactical efficiency, group and departmental objectives tend to focus more on big picture organizational improvements, logistic considerations, and scalable efficiency.

The Company POV Quadrant

Lastly, we come to the OD layer that serves the company as a whole. In our example, its focus is:

- Helping nurture the company's culture across the entire organization
- Promoting fitness-related activities and healthy lifestyles

- Building a skilled, entrepreneurial and competent workforce
- Helping ensure that every new hire finds the right fit in the organization
- Injecting the company's core values (ethics, innovation, fearlessness, mutual respect) into employees' everyday lives

Recruit employees into the company's carbon footprint reduction program

These objectives are as macro as they get: The focus here is on the relationship between every employee and the company as a whole. Group and team level objectives are left to the team layer and the group layer, allowing the company to focus on creating an environment in which groups, teams and individuals can work to the best of their abilities.

The third and final layer is the technology layer, and it deserves its own section.

Technology's Role in Workplace Gamification

In Fig. 8, we break the technology layer into four categories of technology:

- Mobile-enabled gamification
- IoT-enabled gamification
- User based embedded gamification
- Aggregate gamification Data Dashboards

Mobile-enabled gamification simply refers to mobile-compatible and mobile-specific gamification apps. These either live in a mobile app or can be accessed through it. If you are familiar with Foursquare, Pokemon Go, fitness app Strava, you already understand the relationship between gamification and mobility. As mobile devices increasingly become employees' primary professional tools, and technology vendors continue to shift to a mobile first strategy; productivity, collaboration, e-learning, product management and task management tools will continue their migration from the desktop to mobile devices. The gamification layer is therefore increasingly finding its way back into the world of mobility that helped shape it in the first place. This shift creates a natural synergy between mobile-friendly gamification software vendors and enterprise software vendors now building their interfaces for mobile devices. We are confident that by 2020, gamification relating to job training, internal contests, productivity, task management, e-learning, resource management and collaboration, will all be designed for mobile devices.

If you are familiar with FitBit, and Garmin fitness wearables, you already understand the basics of IoT-enabled gamification: Wearable sensors collect data about your activity levels and athletic performance (like how many steps you've taken today, or how many miles you ran, and how fast), and gives you the option to use that data in a gamified setting where you can set goals, collect points towards rewards, or simply challenge yourself and friends to friendly competitions. Fitness app Strava, which we mentioned above, creates a gamification

layer for Garmin users with which they can earn achievement badges based on the number of miles they swam, biked or ran that month, or how fast they completed a particular segment, or how well they finished a workout against the group they were training with. While many companies are subsidizing the purchase of fitness trackers and wearables for their employees, and incorporating IoT-driven fitness gamification into their corporate wellness programs, it is important to note that the same principles guiding the individual and social gamification of fitness can be applied to other types of performances and KPIs outside of sports.

By combining wearables, mobile devices and sensors, workplace gamification can also be applied to the improvement of manufacturing and production efficiency, warehouse management, shipping and deliveries, facility resource management, power usage, collaboration, fleet management, and employee engagement. IoT-driven gamification can, for instance, be used to help employees save energy throughout the day. Then programs can be developed to reward both individuals and teams for helping the company reduce its carbon footprint. Sensors detecting that a conference room or shared space is currently unoccupied and isn't booked for another hour can prompt a nearby manager to organize an impromptu ten-to-fifteen minute team meeting with her team to brainstorm about something or give her feedback on an idea. By rewarding managers for organizing these types of team-building exercises, IoT-enabled gamification can help address team-level objectives like the ones we outlined in our earlier example:

- Boosting collaboration
- Fostering team cohesion
- Helping deliver key team KPIs

Purpose drives all good design, and workplace gamification is no different in that regard. IoT-enabled gamification has the potential of adding both spontaneity to the gamification layer (which is a positive attribute to game dynamics, and a physical dimension to workplace gamification that screen-



based gamification (PC and Mobile) sometimes fail to deliver). Being able to have objects, rooms and even entire buildings interact with employees and play a role in workplace gamification opens up a world of employee engagement and workplace efficiency possibilities for game designers, managers, and business planners.

User-based embedded gamification refers to the workplace gamification layer that each individual user gets to see. "User-based" refers to user-level screens showing task and challenge completions; achievements and awards; levels and scores; digital badges; team, group and company rankings; and so on. "Embedded" refers to the extent to which software vendors like Badgeville and Bunchball are able to embed their gamification layer into popular enterprise software from companies like Salesforce, Jive, SAP, Lithium, IBM and Microsoft. Why do we mention it? Because it is only half of the story: There is also a top-down aggregate view of a company's workplace gamification ecosystem, and we are going to talk about that next.

Aggregate gamification data dashboards refer to the executive's view of a company's entire gamification ecosystem. Think of them as management dashboards that combine all of the organization's gamification data and analyze it in real time to graph trends, identify outliers and opportunities, rate winners and losers and so on. Here are some of the things this kind of top-down aggregate view allows decision-makers to see:

- Which groups contribute the most to the company's carbon footprint reduction initiative.
- Which teams systematically show the greatest amount of dedication to team cohesion and collaboration.
- Which individuals show the most interest in e-learning and skills development.
- Which sales teams have the most competitive spirit.

-
- Which facilities have managed to systematically reduce workplace accidents by more than 50% YoY.
 - Which group managers and team leads appear to be more effective and motivated leaders.
 - Which groups respond better to recognition incentives than financial rewards.
 - Which groups are enjoying the company's highest employee retention rates.
 - Which teams systematically demonstrate the highest onboarding success rates?
 - Which group appears to be producing the greatest amount of motivated leaders in the company?

of data has the potential to drive both internal opportunity discovery and better decision-making. It is also important to mention that a successful UX for gamification makes use of data visualization to make it easier for managers to spot the performers, whereas raw data, like simple numbers or scores, often fail to do so.

For these reasons, it is vital for senior executives and program managers to ensure that the gamification technology they invest in provides them with a top-down view, layered parsing, and actionable analysis of the data it collects. The same focus being applied to market and customer data should be applied to organizational and employee data. They are two sides of the same coin.

On the one hand, giving leadership teams an opportunity to monitor the success of their gamification ecosystem at both a general and a granular level is a good way of illustrating and quantifying its value. Like any investment, it pays to be able to be able to measure its ROI based on the aggregate value of its impact on overall productivity gains, lower employee turnover, uplifts in employee engagement, and other specific objectives identified within the organization.

On the other hand, being able to identify what internal strategies and tactics work and don't work, allows decision-makers to quickly shift from low-performing models to high performing models, and scale them across the rest of the organization. It also gives decision-makers the ability to identify outstanding individuals, high performing teams and gifted leaders that might have otherwise gotten lost in the day-to-day shuffle, or passed over by inattentive management layers between annual performance reviews.

Data is power, and one of the natural byproducts of workplace gamification is data: Loads and loads of data on everything from employee morale and group performance to hidden innovation clusters and internal program ROI. Access to this kind

PART V: KEY TAKEAWAYS AND ADDITIONAL CONSIDERATIONS



Although the value of workplace gamification as a technology investment may still seem murky for a lot of decision-makers, understanding how its principles can be applied to the facilitation, acceleration, and scaling of the organization's goals and objectives can help reset the investment's value proposition.

Gamification is, at its core, an effective psychological methodology used to motivate and incentivize individuals, teams, and entire organizations to organize themselves around challenging but achievable and rewarding goals. By creating a clear game-like structure that includes fair and simple rules, clear milestones, shared accountability, achievement rewards, healthy competition, and social cohesion, this methodology can be used to correct negative behaviors and drive positive behaviors.

Gamification can be used by organizations to build stronger, more positive and enduring corporate cultures. By focusing on individual employee acquisition, development and retention; team development and cohesion; group optimization and efficiency; and the reinforcement of company-wide values, organizations can organize, analyze, and shape their internal ecosystems from the bottom up. Always make sure that your gamification layer helps build bridges between silos. Let it

connect employees to each other on a more social and natural level that can be rooted in work-related goals but also forms and reinforces deeper social bonds. In other words, use workplace gamification as a cornerstone to the humanization of business.

The humanization business, which was an important topic of discussion at the height of social media's transformation into what eventually became "social business," is still a competitive goal worth pursuing. In many ways, the humanization of business, which tends to drive loyalty and trust in customers and employees alike, is one of the more subtle but potentially rewarding opportunities that Digital Transformation can deliver to customer-centric companies.

Workplace gamification also fits into the world of Digital Transformation at the IT level as it requires a combination of Big Data, Cloud computing, Mobility, IoT, and Cognitive Computing to deliver its full potential. Workplace gamification cannot be achieved effectively and at scale outside of a proactive and somewhat mature Digital Transformation program.

Gamification can create a much needed sense of structure and direction for employee acquisition, employee development, and long term employee retention. By creating an ecosystem of internal

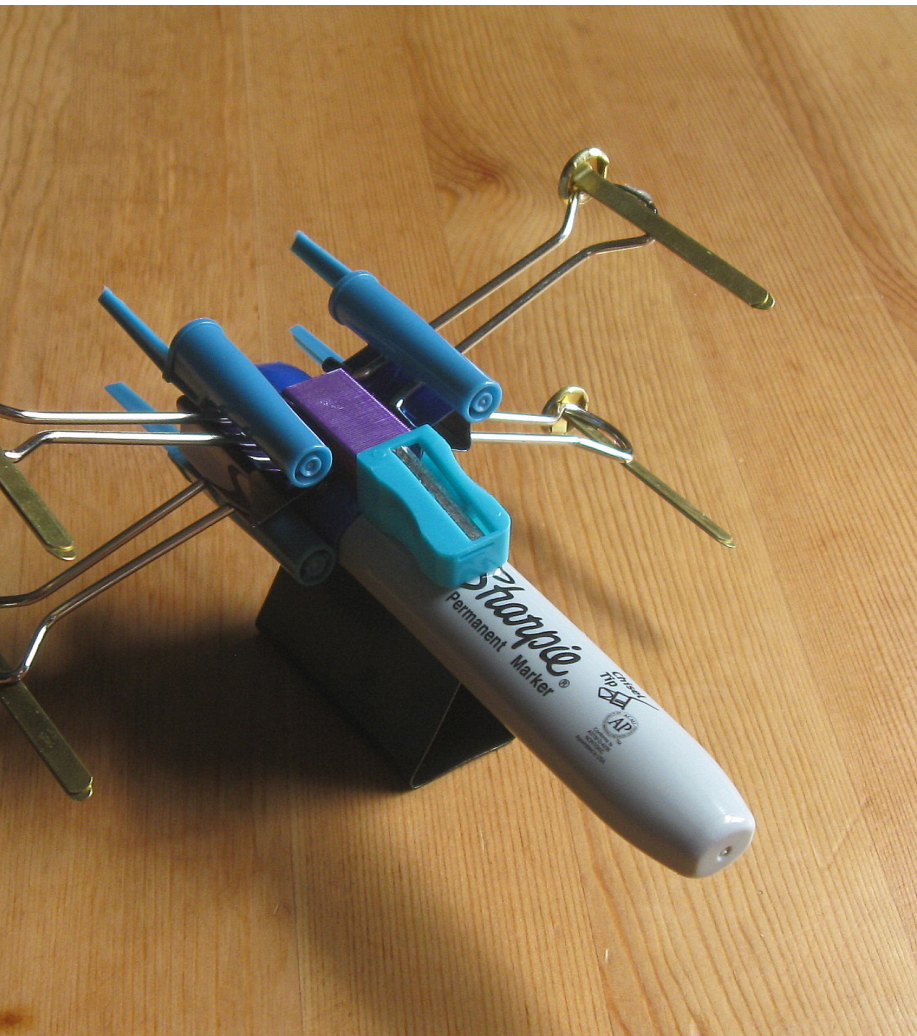
opportunities driven by clear incentives and rewards, then injecting it with a sense of community that drives to the heart of an organization's shared journey and common sense of purpose, companies can transform their Human Resources program into a finely tuned machine.

Currently, workplace gamification's emphasis still appears to be on employee training, digital e-learning, and incentive-driven employee engagement, but the opportunity to both broaden the uses of workplace gamification and solidify its impact across the enterprise is significant. As outlined in this report, the landscape of workplace gamification is much richer than its current applications would tend to indicate.

The successful deployment of a workplace gamification layer depends on two critical factors: The first is an organization's ability to understand its own spectrum of needs and wants, then map out what it is trying to achieve through workplace gamification. The second is the extent to which an organization with a clear vision for what it wants its gamification layer to accomplish can communicate that vision to its gamification technology team and solutions providers. These two factors are listed here in order. The organizational vision must drive the technology discussion, not the other way around. Objectives and goals always come before the technology and tools. Technology and tools are the means to an end, not the end unto themselves.

Organizations should also strive to strike the right balance between value to the employee and what is essentially a form of automated micromanagement. Workplace gamification, when used properly, should not feel like micromanagement. It should feel to employees like the exact opposite: empowerment. Workplace gamification provides each employee with his or her very own personal dashboard that helps them be more productive, more engaged, more plugged-in, more aware of opportunities, empowered to make their own course corrections, and serves as a gateway to e-learning and continuous improvement training. An organization's gamification layer should feel like the exact opposite of micromanagement. However, as gamification collects a vast amount of data through apps, mobile devices, wearables and sensors, companies should be sensitive to their employees' privacy concerns, and be careful not to transform what should feel like an employee-empowering workplace into an intrusive corporate culture whose employees are under constant electronic surveillance. Clarity of purpose, the development of a culture of trust, and setting the right mood are vital to the success of workplace gamification.

It is also important to ensure that employees are made to see the value of the gamification layer so they opt into it. Back in the early days of workplace gamification, before Digital technologies transformed the model into what it is today, companies used to try and force team-



building exercises on their employees. The team-building part came from a good place, and it was, to some extent, the right idea, but the mandatory aspect of it was poor execution. When it comes to gamification, opt-in models are always preferable to mandatory participation models. No one wants to be forced to play a game. It defeats the purpose. Properly designed workplace gamification should help create an atmosphere of fun and rewarding competition. It should be obvious to all that employees who participate in the program do much better than employees who don't. As much as possible, employees should be encouraged to manage their own level of involvement with the gaming aspects of their career.

Workplace gamification should be built on a foundation of common mission and shared experience. As much as CEOs may cringe at

the implications of the following observation, it still needs to be said: It can be easier to build a community around a game than around a company. That is because communities tend to grow into tribes. Companies that manage to turn their internal culture into a tribe tend to enjoy much higher levels of employee engagement, employee retention, and consequently customer satisfaction, as engaged employees create engaged customers. Most companies' customer behaviors are a direct reflection of their employee behaviors: Happy employees results in happy customers. Loyal employees results in loyal customers. Smiles are contagious, as are all behaviors. For companies struggling to build a sense of community across their organization, companies that have found it difficult to build a internal tribe for their brand, workplace gamification might be the vehicle through which this transformation may be achieved.



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