

WHITE PAPER

.....

ENTERPRISE GAMIFICATION

THE GEN Y FACTOR

.....

.....



2012

.....

Enterprise Gamification: The Gen Y Factor

How Businesses can use Gamification to Engage & Motivate Gen Y Employees and, in the Process, Benefit Everyone.

The emergence of Generation Y, people born from the early eighties to mid-nineties, as a demographic force is driving dramatic change in education, technology, media, and most critically, at work. Gen Y makes up 25% of the workforce today, and their numbers are growing rapidly.

These new entrants into the workforce expect even more from their work experience than their Gen X and Baby Boomer counterparts, making it imperative that businesses understand the unique characteristics of this group, and how to best engage and motivate them.

In this white paper we'll discuss the most salient characteristics of Gen Y for managers to be aware of, in particular their affinity for games and social media. We will also show how that knowledge can be used to design systems and processes that not only engage and motivate Gen Y, but also better engage all employees.

Gen Y Employees Live Online

Gen Yers are digital natives. They live and breathe online: play, school, and now work. They are accustomed to cutting edge technology & innovation at home, and expect the same quality of technology in the workplace. They have been playing video games—console, mobile, MMORPGs, social, and more—since childhood, and have thus been immersed in the language and metaphors of gaming their entire lives.

In a recent 2011 study conducted by MTV, Gen Yers reported that a “game-like metaphor” applied to almost every aspect of their life. More than half also reported that “People my age see real life as a video game” and “#winning is the slogan of my generation”. So in an effort to engage and motivate Gen Y, what are the characteristics of games that deserve a place in the enterprise? Let's look at three: Performance, Achievement, and Social Interaction.

PERFORMANCE

REAL-TIME FEEDBACK

WHAT IT IS:

In a game, anytime you take an action, you receive instant feedback. Positive feedback reinforces good behavior, strategy and tactics, while negative feedback enables you to learn quickly and adjust.

WHAT IT MEANS FOR THE WORKPLACE:

The current state of painful once-a-year performance reviews isn't going to cut it.

Businesses need systems and processes that enable fast and meaningful feedback, accelerating employees' growth and learning.

TRANSPARENCY

WHAT IT IS:

Games are statistical nirvana – players can always see exactly where they stand and where everyone else stands. Progress can be tracked and communicated in real-time; both in the moment and over longer time periods.

WHAT IT MEANS FOR THE WORKPLACE:

The number one question employees have is "How am I doing?" They simply don't know. They don't understand how performance is being measured generally, or their performance specifically, individually and relative to their peers.

Businesses need the ability to capture this data and make it available to employees in an easily digestible format.

GOAL-SETTING

WHAT IT IS:

The whole purpose of a game is to have a goal and to strive for it, such as "save the princess", often with sub-goals that provide small wins along the way, like "get to the next level".

WHAT IT MEANS FOR THE WORKPLACE:

According to studies by Professor Teresa Amabile from the Harvard Business School, a sense of progress in meaningful work, however small, is critical in keeping people highly engaged. With management often focused on the long-term goals, the opportunity to provide small wins and a daily sense of progress is often overlooked.

Businesses need a way to structure work as a series of small wins to keep Gen Y employees motivated and on the path toward long-term success.

ACHIEVEMENT

BADGES

WHAT IT IS:

When you live your life online, you need a digital identity. A big part of that identity in the workplace is your skills, achievements, and reputation. Badges (aka Trophies or Achievements) serve this purpose. They are universally understood symbols that indicate mastery of skills and accomplishment.

WHAT IT MEANS FOR THE WORKPLACE:

Understanding bench strength and the expertise of employees is crucial to a company's ability to assemble great teams and execute against goals.

Systems that enable an employee to earn rewards, self-assert skills, and validate the skills and abilities of others will be a competitive advantage.

LEVELING UP

WHAT IT IS:

While badges are indicators of specific accomplishments, levels are used as a shorthand way of indicating long-term, sustained achievement and status. Reaching level 70 in World of Warcraft means something to everyone who plays the game, which is that you have dedicated a certain amount of time and energy to the game, and achieved a certain amount of skill. Levels also serve to provide the player with intermediate goals (small wins) in the long arc of a game.

WHAT IT MEANS FOR THE WORKPLACE:

Studies predict that Gen Y will switch jobs frequently, holding far more jobs over the course of their lifetime than Generation X. When they walk out the door, they take all the intellectual capital that they've built.

In order to mitigate this trend and keep Gen Y employees engaged in the long arc of a career trajectory, there need to be more small wins and intermediate milestones along the way, and more ways for them to earn status and respect among their peer group and others.

ON-BOARDING AND MASTERY

WHAT IT IS:

Rare is the game that drops you in with no instruction on how to play. And it's never "read the manual" instruction—games have mastered the process of onboarding users—teaching them how to play from within the game itself. Players get live experience at "doing", coached along by the system, until they feel they have sufficient mastery to venture off on their own. The social game Farmville is a great example—as simple as it looks, it has XP, Farm Coins, Farm Cash, Ribbons, Levels, Planting, Harvesting, and more. If they dropped you into the game with a plot of dirt and nothing else, you would have no idea what to do. But they don't—they hold your hand and teach you how to play, by actually playing.

WHAT IT MEANS FOR THE WORKPLACE:

Gen Y isn't going to read the manual. Actually, let's face it, no one is going to read the manual. CIOs and CTOs around the world are spending billions of dollars annually to implement enterprise software solutions that are going to fail to show ROI, solely because employees aren't adopting them. People will spend hours playing games, but won't spend minutes on anything that feels like training. Self-determination theory (SDT), a well-respected theory of human motivation created by University of Rochester professors Edward Deci and Richard Ryan, would tell us differently. According to SDT, the drive to master new skills and feel competent is an essential human motivator.

Businesses that can use the onboarding and mastery techniques from games to drive employee adoption, ongoing engagement, and increases in employee performance & mastery, will see benefits in both employee engagement and the bottom line.

SOCIAL INTERACTION

COMPETITION

WHAT IT IS:

Whether they're competing with friends on an Xbox or people around the world in a virtual world, games foster excellence and achievement through competition.

WHAT IT MEANS FOR THE WORKPLACE:

Competition is already used throughout corporate life, whether explicitly in sales organizations or implicitly in employees competing for promotions and raises. Currently, it's executed manually and often informally for the most part.

The key for businesses going forward will be to create competition in a scalable, automated way that can be used to drive repeatable results.

TEAMS

WHAT IT IS:

According to self-determination theory, people have an innate need for relatedness (social connection), and as such love to compete and collaborate as part of teams. Teams provide an opportunity to connect and bond with others "like" you, (even if the only similarity is that you're on the same team), and work together as a cohesive unit to accomplish goals and compete with other teams. At the same time, the peer pressure of not wanting to let down your peers, or be seen as the weakest link, can amplify behavior and drive dramatic increases in individual and team performance.

WHAT IT MEANS FOR THE WORKPLACE:

Gen Y lives on Facebook & Twitter. They are clearly peer-oriented and driven by a desire for social connection.

Businesses should use teams, both obvious (project team, business unit) and not obvious (cross-business unit, cross-geography, random) to drive competition, collaboration, networking and knowledge-sharing in the organization.

It's clear that the language, metaphors, and concepts from games have a lot to offer businesses seeking to engage and motivate not just Gen Y, but all employees. This is where Gamification comes in.

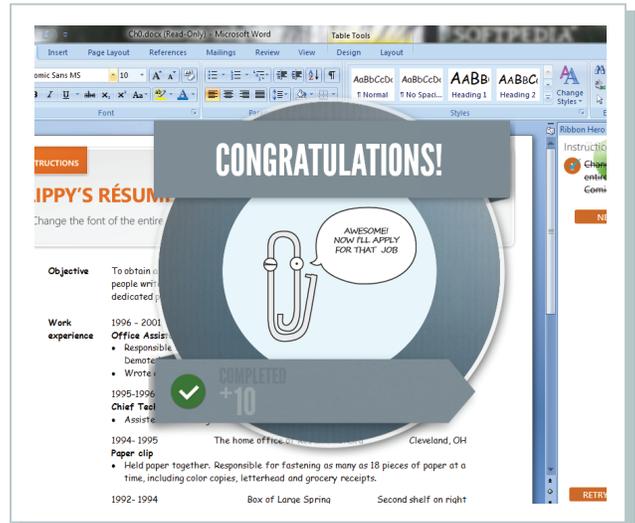
Gamification is the application of characteristics from games into non-gaming contexts, like work, in order to engage and motivate (see our earlier white paper "Gamification 101"). It takes all of the concepts illustrated above, and integrates them into business activities and processes, to reframe the way that employees experience the work. To be absolutely clear, it is not about turning work into a game—expense reports don't turn into Angry Birds and lead generation doesn't turn into Guitar Hero. It's about framing work in the language and metaphors of gaming, with the goal of engaging and motivating your employees. This is a requirement for Gen Y but is effective for all demographics. The best way to understand this is to look at some examples.

Gamification in the Workplace

Microsoft Ribbon Hero: Onboarding/Mastery Application

Background: Microsoft Office is a complex suite of software, and learning complex software can be daunting. Office is a multi-billion dollar business for Microsoft, so it is in their best interest for their users (especially the Gen Y users, who have no history with Office) to understand the breadth and depth of functionality available in the software suite. Otherwise, those same users might defect to cheaper “good enough” alternatives like Google Docs. How do you get people to learn Microsoft Office without them feeling like they’re being trained?

Description: Microsoft built Ribbon Hero 2 – an application built directly into Microsoft Office that uses gamification to motivate users to go through training without it feeling like training. Users are playing a “game” and doing something productive at the same time, so they feel like it’s a “win-win” situation. Ribbon Hero 2 takes users out of their normal “work mode” and puts them in “explorer mode”, where it’s fun to discover new things, safe to fail, and where users feel accomplishment for having completed something hard. Ribbon Hero 2 also encompasses the entire Office Suite, so in order to play, users need to learn how to use all the products, which reinforces the value of the entire suite as opposed to single applications.



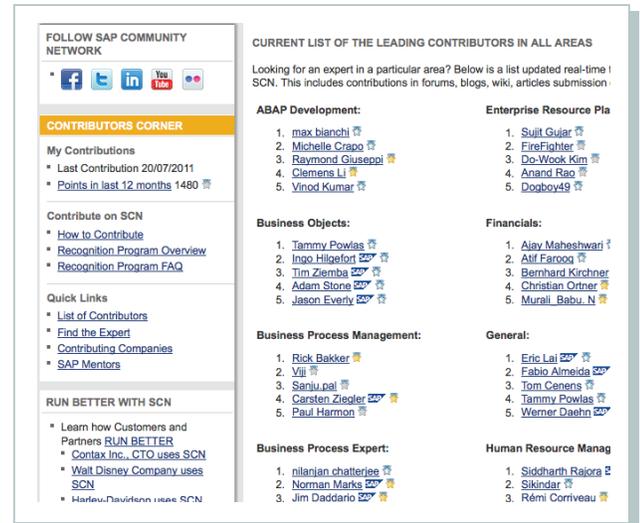
GAMIFICATION ELEMENTS

- **Real-time Feedback:** Ribbon Hero 2 provides instantaneous visual and audible feedback on your actions as you work through the various missions.
- **Transparency:** You can see your score and progress on the various challenges at any time.
- **Goal Setting:** There is a long-term goal (help Clippy get a job), as well as several short-term goals (fix Clippy’s resume). The missions are split into several levels, themed by different eras in time.
- **Badges:** When you finish each mission, it is clearly marked as completed, with your score, on the main pages of the application.
- **Leveling Up:** As you complete missions, your Skill Level increases.
- **Onboarding & Mastery:** This application is all about Onboarding & Mastery – exposing users to key pieces of functionality and enabling them to master those pieces of functionality.

SAP Community Network: Community Recognition & Reputation

Background: Enterprise software giant SAP's Community Network (SCN), a site for SAP customers, partners, experts and developers to communicate, share, network and collaborate, has over 2 million members. There are 6,000 forum posts a day, and more than 200,000 unique assets. With such a large volume of people and content, how do you make the true experts and influencers stand out?

Description: SAP built a Contributor Recognition Program into SCN—users earn community points for every contribution they make, which becomes an indicator of status in the SCN community. Users only need 250 points to reach the initial level of Bronze Active Contributor, but then need to work to gain recognition as a Top Contributor in their field of expertise.

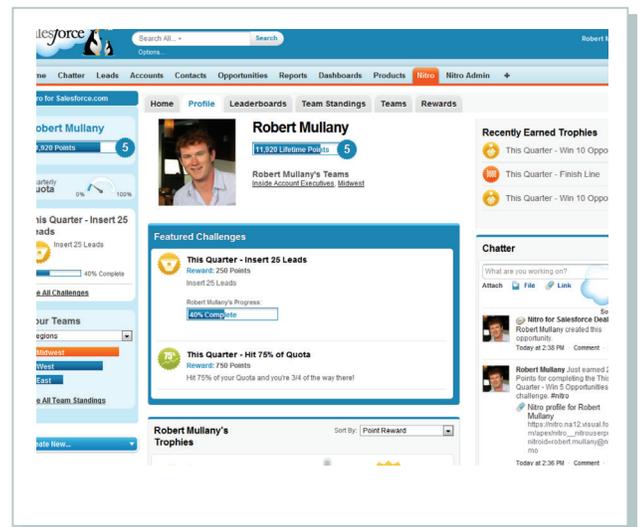


GAMIFICATION ELEMENTS

- **Transparency:** Profile pages and leaderboards show how individuals and companies are doing against each other. Individuals and teams are scored on the content that they have created, which is maintained forever and accessible to anyone, so it's easy to see and understand everyone's performance and abilities.
- **Goal Setting:** There are multiple types of goals within SCN - from leveling up as an overall contributor to having specific pieces of content that you created reviewed highly by your peers or by SAP's moderators. The ultimate goal is to establish a reputation on the SCN site that positively impacts your career.
- **Competition:** There is a very competitive element on the site. Businesses looking for SAP experts use individual and company rankings on SCN to determine who they should talk to. Hiring managers are looking for SCN points on resumes, and interviewing those candidates first.
- **Badges:** Badges indicate SCN mentors, SAP employees, and 4 different levels of Active Contributors (Bronze, Silver, Gold, Platinum)
- **Leveling Up:** As you earn points, you move up the Active Contributor scale and gain more status in the SCN community.
- **Teams:** Individuals can be part of their company's team. Individual points then aggregate into a company score, and there are company leaderboards to drive competition amongst companies. A company's position on the leaderboard is important enough that companies are adding SCN points to the KPIs for their employees in their performance evaluations.

Nitro for Salesforce: Salesforce Motivation

Background: For years, sales managers have been using techniques like President's Club, contests, spiffs, team competition and rewards to motivate their sales professionals. The problem with these systems is that they need to be managed manually, which means that they're often out of date and prone to error. Also, because tracking for these programs is often stored in a spreadsheet somewhere, it is completely invisible to everyone on the sales team. Ultimately the system becomes very difficult for the sales manager to maintain and is largely ignored by the sales professionals, thus undermining the overall effectiveness of the program. How do you create a sales incentive program that's simple to manage and successfully motivates sales professionals to sell more?



Description: Nitro for Salesforce leverages sales data and statistics that are already being stored online in centralized systems like Salesforce.com. Instead of tracking and managing sales incentive programs manually, Nitro for Salesforce automates everything within Salesforce.com, where it stays front and center with sales people, to focus them on the activities and rewards that translate into improved bottom-line results.

GAMIFICATION ELEMENTS

- **Real-time Feedback:** Built into the application and provided via “toast”, in-browser notifications that display at the moment when a user accomplishes something of note, like closing a deal.
- **Transparency:** Profile pages, news feeds, leaderboards and integration with Salesforce.com’s internal social networking platform (Chatter), display and broadcast how individuals and teams are performing and doing against each other.
- **Goal Setting:** The sales manager can create both long-term goals (close \$1M in business) and short-term goals (close \$350K in business this quarter, close \$75K in business this week). Certain goals can be featured to ensure that employees are focused on them, and goals can be created for both individuals and teams. Progress can be tracked toward all goals, and real-time feedback provides small wins on the way to larger wins.
- **Competition:** Individuals compete on leaderboards for most points earned, biggest deal closed, and highest % of quota. Teams also compete.
- **Badges:** Every goal that the sales manager creates has a corresponding badge that displays on the user’s profile page. A notification that the badge has been earned is added to the user’s Chatter feed, so that everyone following them can see it.
- **Leveling Up:** As you earn points, you level up, and that unlocks additional points and other benefits.
- **Teams:** Individuals can be part of one or more teams in different leagues, and teams compete against each other on leaderboards. Teams can collaborate toward shared goals, which, if accomplished, reward all the team members. Teammates can compete against each other to see who can contribute the most to the team. Teams also have their own private discussion areas to plan strategy and tactics.
- **Onboarding & Mastery:** Goals can be created in Nitro for Salesforce around specific product and company training, as well as exploring and learning new features within Salesforce. They can also be created around point-in-time events like Sales Kickoff meetings to drive engagement with concentrated educational content.

Motivation for Everyone

Gen Y's ascent in the workforce is driving rapid change, and Microsoft, SAP, and Salesforce are just a sample of the companies that are integrating gamification, the language, metaphors and characteristics from games, into their products and business processes in order to engage and motivate not only their Gen Y employees, but everyone.

Gen Y and Gamification #forthewin.

RESOURCES:

Whitepaper: "Gamification 101" <http://www.bunchball.com/gamification101>

Whitepaper: "Tips from the Expert's Playbook" <http://www.bunchball.com/resources/tips-experts-playbook>

Video: "Saatchi S Perspective: Rajat Paharia" <http://www.bunchball.com/resources/saatchi-s-perspective-rajat-paharia-founder-bunchball>

Video: "Nitro for Salesforce" <http://www.youtube.com/watch?v=LprAZKSm4Q>

Blog: www.gamification.com

SOURCES:

Herger, M. (2011, October 23). "SAP Community Network". Retrieved from <http://www.enterprise-gamification.com/index.php/social-media/40-sap-community-network>

Wikipedia. "Generation Y". Retrieved from http://en.wikipedia.org/wiki/Generation_Y

Shore, N. (2011, December 12). "Millennials Are Playing With You". Retrieved from http://blogs.hbr.org/cs/2011/12/millennials_are_playing_with_y.html?utm_source=twitterfeed&utm_medium=twitter

Amabile, T. and Kramer, S. (2011, December 27). "Start the New Year with Progress". Retrieved from <http://blogs.hbr.org/hbsfaculty/2011/12/start-the-new-year-with-progre.html>

Wikipedia. "Self-determination theory". Retrieved from http://en.wikipedia.org/wiki/Self-determination_theory



www.bunchball.com