



Power Up!

How gamification can help companies achieve their strategic goals

Shakespeare wrote that “All the world’s a stage / And all the men and women merely players.” Advocates of gamification would agree that we are all players, but they’d revize the analogy to make the case that all the world’s a game. Gamification seeks to take elements of game play – points,

competition, levels, recognition, rewards – and translate them to other contexts. For companies, gamification can be a useful tool for activating employees’ to change their behavior in ways that help the organization achieve its strategic goals.

Gaming goes mainstream

Brian Burke, an Analyst at research firm Gartner who basically wrote the book on gamification (*Gamify: How Gamification Motivates People to Do Extraordinary Things*), predicted that 70 per cent of Global 2000 organizations would have at least one ‘gamified’ application by this year. “That prediction seems to be on track,” says Burke, although he notes that market penetration for gamification probably remains much lower among the broader field of small and medium-sized enterprises (SMEs).

The interesting thing is that the focus of corporate gamification efforts has begun to change. “In many cases, corporate gamification initiatives started in the marketing department,” says Burke. “As a result, early gamification projects tended to focus externally on helping consumer brands to acquire new customers or strengthen relationships with existing customers. The real growth in gamification right now is in internally-focused applications. Many companies have started down the path toward employee-focused gamified apps in an effort to improve employee performance and engagement.”

We believe that this is where the true potential of gamification lies. In our experience, many companies focus heavily on strategic development, then scrimp when it comes to implementation. As a result, a hefty percentage of companies fail to realize their strategic goals – not because the strategies were unsound, but because they lacked the resources and commitment to put the strategies into practice. Due to the ease and economies of scale associated with distributing gamified apps to a global audience, gamification offers companies a cost-effective tool for encouraging employees to act in ways that translate strategic goals into reality.

A good addiction

Why does gamification work and why should companies use it as a method for activating the full potential of their employees to support strategy implementation? It works because games can be addictive. Games engage our achievement motive and companies can use this motive as a “hook” to focus individuals on certain activities such as following through on development plans, something many managers find difficult to do.

Back in the 1950s, psychologist David McClelland came up with a theory of motivation that explains human behavior as a result of the interplay of three social motives:

1. The achievement motive
2. The affiliation motive
3. The power motive.

“Games create the conditions that arouse the achievement motive in people,” says

Ruth Malloy, global managing director of Leadership and Talent at Hay Group. “We get energized by opportunities to meet or exceed a standard of excellence when our achievement motive is aroused. It appeals to our Darwinian instincts. Video games, for instance, are often addictive because we get caught up in the flow of competing against standards (internal or external), solving a unique problem or mastering a challenging environment.”

Why should companies want to take advantage of the addictive power of games? Because companies often want to align employee behaviors with strategic goals and yet it is hard to achieve sustainable behavioral change. In our personal lives, many of us often have trouble maintaining desirable behaviors like eating healthy foods or exercising regularly. Similarly, in the business world, managers may have the best intentions to practice a new leadership style or improve the climate for their team to bridge the gap

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Brian Burke – analyst, Gartner

between strategy and results, but they soon fall back into old, familiar habits.

“Day to day life intrudes on our best intentions,” says Malloy. “We know we have to make behavioral changes, but we have a hard time sticking to them. A business app that strategically builds on gamification principles can keep these behavioral changes top-of-mind by enabling employees to keep practicing and trying out new behaviors.”

Well-designed gamified apps can make it personally satisfying for employees to pursue their own personal development while changing behaviors in ways that align with corporate strategic objectives. Employees who embrace such gamified apps will gladly perform self-reinforcing activities over and over again in pursuit of the achievement motive – even in the absence of any external reward.

“ Games arouse the achievement motive in people. We get energized by testing ourselves against a standard of excellence. ”

Ruth Malloy, global managing director of Leadership and Talent, Hay Group.

Look, then leap

To successfully build and deploy a gamified application that promotes strategy implementation, companies must first have a solid understanding both of their own strategic objectives and the personal goals of the audience that will use the app. According to Gartner analyst Burke, “companies have to consider the goals of their target audience and then identify the intersection where those audience goals align with the organization’s strategic objectives.”

Burke warns companies to look, think and plan before they leap. “The biggest

pitfall company’s face when launching a gamification initiative is not having clear business objectives from the outset,” he says. “They just want to employ gamification technology because it sounds cool. To have a good chance of success, companies should take the time up front to develop a sophisticated understanding of employee goals so they can develop gamified apps that help employees achieve those goals while acting in ways that promote the organization’s strategic objectives.”

Appealing to all three motives

According to David McClelland we are all driven by a desire for achievement, affiliation and power – but the balance and the relative importance of these motives differs from one individual to the next. For that reason, gamification apps

should be designed to appeal to all three human motives, so that whichever motive matters most to a given individual, there’s something in the game that will engage and motivate them:

The three human motives

1. Gamification creates the conditions that arouse the **achievement motive** by giving players a **clear standard of excellence** against which to measure their performance. “Games are designed to be challenging, so that you always want to move up to the next level,” says Malloy. They give players **personal responsibility for outcomes** and provide **immediate concrete feedback** from a credible source. Points and awards enable people to monitor their progress and encourage people to stick with the app and try to improve their behaviors. “Games are well-suited to triggering the achievement motive,” says Malloy. “As we often say, this is the only motive you can arouse without having anyone else in the room. It’s all about an individual achieving personal mastery.”
2. People who are driven by the affiliation motive have a concern for establishing and maintaining close personal relationships. Gamification tools, such as social networks, can give employees who are driven by the **affiliation motive** opportunities to interact with close friends and associates who can provide support and encouragement. “If you have people who are good friends all trying to help each other become better managers, that can be really useful in terms of leadership development,” says Malloy. “There’s a reason that programs like Weight Watchers have been so popular. People often have more success in achieving an objective if they pursue that goal in the company of peer cohorts.”
3. People who are driven by the power motive are concerned with having an influence or making an impact on others. Social networks, discussion groups and comment boards can provide an opportunity to satisfy the **power motive** by making an impact on other players. “These are the people on social networks who have 500 friends or get a kick out of posting something provocative that generates lots of responses,” says Malloy. “Those with a more socialized power motive are engaged by forums where they can provide advice and coaching to peers or lead virtual teams or cohorts.”

A winning approach

If it is used wisely, gamification can be an effective tool to support strategy implementation. Smartly designed and deployed, gamification can activate employees by appealing to their built-in motives – especially the achievement

motive. The best gamified apps actually make it enjoyable for individuals to change their behaviors and learn new skills in ways that collectively help the organization implement and achieve their strategic goals.

Hay Group Activate is our new suite of business apps that uses gamification to help organizations implement their strategy. To find out more, please visit:

www.atrium.haygroup.com/us/our-products/activate.aspx