

Executive Summary

Big Game Hunters

Why HR Directors are Missing the Target

Gary Browning, CEO at Penna Plc



Gamification has been the subject of so much hype that you'd be forgiven for thinking that it almost defines the future of our industry. But the very real potential that we think it has is still yet to be realised.

Right now we're seeing organisations that feel they should consider using it, but aren't really sure why or what impact it will make. The hype surrounds the 'early adopters' that are using it, creating games to engage graduates in the recruitment process for example. Other organisations are looking on with interest, but are yet to venture into the territory - waiting for others to provide proof of success and ROI first, before committing themselves.

The term 'gamification' is not a helpful one. It conjures an image of adolescent boys playing the latest 'shoot-em-up' on a games console for hours on end. And herein lays the important differentiation. We understand gaming to be typically associated with activity for individual amusement; games played on PlayStations for example. Gamification is simply a means of tapping into the psychology of gaming, with the aim to motivate individuals to complete tasks in a fun, rewarding and engaging way.

Our view is that gamification is already part of our everyday lives, people of all ages are 'playing', and have been for some time. Have you redeemed rewards? Or collected badges in an app? Or used one to track the distance you've just run? If the answer is yes, you're engaging with gamification - probably without realising.

What sets gamification apart, is the thinking that gamification taps into the things that motivate you, and push you towards an ultimately productive and useful end goal. With grocery shopping for example, the store website will retain your preferences to make your subsequent shopping experiences quicker and more efficient, perhaps signposting you to relevant special offers. Ultimately this experience will win over a hectic supermarket visit, so engaged users will keep returning to shop online.

The basic principle of tapping into motivational drivers is a familiar and established practice for HR professionals. The concept of using rewards, incentives and performance measurement is definitely not new. And this is what lies at the heart of gamification and its application in the workplace. So why is it still relatively uncharted territory? What is holding organisations back from using tools which can create powerful business results and drive up engagement in today's digital and networked world?

In this report we have teamed up with Trajectory - an independent consumer insight and futures consultancy - to find out: why people aren't using gamification; how HR Directors feel about it; whether they recognise its potential and why they should be using it to get the best from their workforce.

Together we've gathered insight from 100 HR Directors, surveyed 1,000 employed adults, talked to Penna clients, and tapped into the wisdom of Nick Dixon, Programme Director of the Alacrity programme at Falmouth University – an entrepreneurial incubation programme for students in the gaming industry – to find out if we are about to reach a tipping point. Is gamification just a fad? Or are we about to revolutionise the way we engage, motivate, develop and connect with workforces?

At Penna we are incredibly excited about the potential for gamification. From using it to encourage employees to take control of their careers and training, to making lighter work of necessary admin heavy tasks that no one really wants to do (looking at you, timesheets); its potential to streamline processes and make aspects of work more engaging is significant and untapped. It's not often that something in our industry can shake-up ways of working quite as dramatically as gamification has the potential to, so let's grab it with both hands.

Research overview

In partnership with Trajectory we interviewed 100 HR Directors to explore their:

- Understanding of gamification
- Perception of what the barriers to adoption are
- View of organisational buy-in, or lack of, and why
- Thoughts on potential uses for gamification in their organisation.

We also surveyed 1,000 employed adults to understand their level of everyday engagement with gamification and whether they recognise it as a concept.

Key findings include:



HR Directors believe in the power of gamification but perceived cost, lack of organisational buy in and industry culture are barriers to adopting the technology:

- 52% of HR Directors are personally 'massively interested' in gamification
- But 44% answered that when it came to thinking about their organisation and gamification they were 'not at all interested'
- When asked about general barriers, industry culture (36%) was cited as the top reason followed by capital cost (27%)



Misconceptions around who games, on what device and for how long, may be preventing businesses from exploiting the potential of gamification as a tool to improve performance:

- When asked who plays the most games, more than 90% of HR Directors chose the wrong answer. The correct answer is women over the age of 45

- Employees also answered this question wrong, with 67% believing men under 20 spent the most time playing games
- 46% of HR Directors we surveyed correctly chose the smartphone as the most popular gaming platform today
- However employees thought the 'games console' was the most popular device (51%)
- Young people (18-24) are most likely to play on their smartphones (75%) compared to 38% for those aged 55 and over. Older people (45-54) are most likely to play on their tablets (28%) compared to 5% for 18-24 year olds
- Young people are also more likely to play on the move (45% of 18-24 and 13% for those aged 55 and over), compared to older people playing at home (75% for those aged 55 and over and 35% of 18-24)
- 25% of HR Directors think we spend 5-8 hours online a day, whereas Ofcom data shows average browsing time is between 1-2 hours a day



HR Directors can see big barriers to helping people learn and develop, and recruit the right people – but gamification isn't considered as a means of overcoming them:

- HR Directors said finding the right blend of skills and experience (43%) and identifying individual aptitude (22%) are their biggest recruitment challenges
- 41% said lack of organisational time, expertise or resources was their biggest barrier to learning and development
- Even though skills and aptitude identification, and lack of time and resources, were identified as causing a headache, HR Directors felt that gamification would be best suited for team building (44%) – as opposed to supporting with current challenges they face

Barriers to adopting gamification

Our research found that while HR Directors are interested in gamification, they hit a barrier convincing organisations to invest in the technology. Whilst gaming is not new, the confusing concept of gamification appears to be stifling organisations in fully adopting the technology – despite its principles being very familiar to individuals.

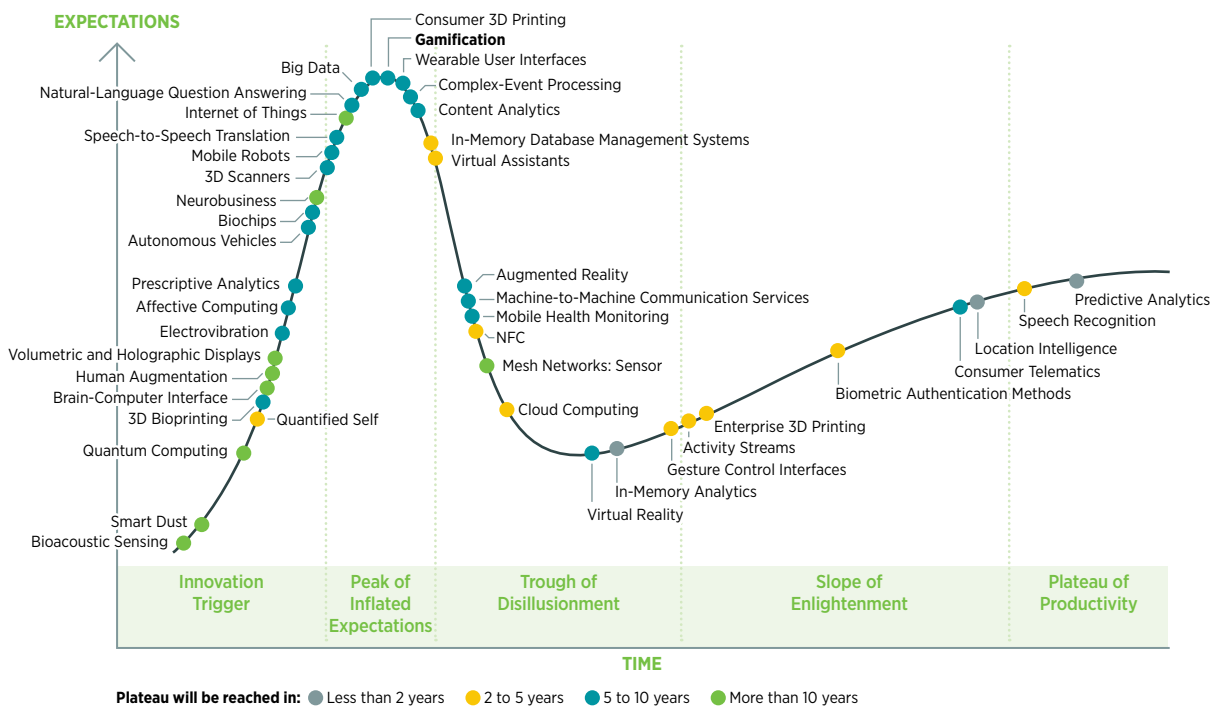
One of the reasons for this can be illustrated through Gartner’s hype cycle¹ theory for emerging technologies. It maps out evolving relationships between humans and machines and we can see from the diagram below that gamification is currently at the top of the hype cycle. This means that the innovation phase has happened and we are currently in the ‘peak of inflated expectations’; we know its potential, but are yet to have moved the technology on to being used in day-to-day life. Gartner anticipates this will take between five to ten years, for us to completely realise its potential.

As the research also highlights, businesses are waiting for others to demonstrate the positive impact gamification has had before they consider how to implement it themselves.

But businesses are already using technology within their company, and running successful schemes internally to motivate, recruit and retain staff, so why not combine the two? We are already seeing other industries implement gamification successfully, as a top up to traditional ways of working.

Nick Dixon, Alacrity Programme Director at Falmouth University said: *“Where we are seeing gamification really take hold at the moment is in the healthcare and education sectors. For time-stretched healthcare workers, gamification can provide a real solution to ensuring they remain up-to-date with their patient’s progress. For example if a patient is recovering from an injury, healthcare workers can assign them exercises and track them using apps. The patient can log their exercises and the healthcare worker can check in on their progress. Using rewards, tracking progress and showcasing how far they have to go until they can achieve their end goal are all gaming elements being applied to the service.”*

“Similarly, in the education sector, revision can be broken down into bite sized chunks and learning encouraged through gaming. Pupils can gain



¹ Gartner’s 2013 Hype Cycle for Emerging Technologies: <http://www.gartner.com/newsroom/id/2575515>

rewards for completing revision modules and can clearly see how much further they have to go. Creating competition amongst peers and citing additional learning modules can encourage students to continue their studies too.”

“We can see how gaming is being applied effectively to other sectors, so businesses are gradually learning how they can apply these tactics to their industries. It can be a cost-effective and engaging way to reach high volumes of individuals and help businesses to unlock growth through minimal investment. We just need a few more of the early adopters to come through and showcase their achievements and

the benefits, before others will feel brave enough to follow suit.”

Industry culture was cited as the top reason (36%) by HR Directors for organisations not adopting gamification, but we can see that other established industries have modernised practices and used such innovation. In the example of the education sector, they have used pre-existing material - but utilised technology to make content more engaging and modern. If healthcare and education sectors have learnt how to use gamification effectively within their industries, there is no reason why other organisations can't as well.

One organisation that has realised the benefits that gamification can have on their workforce is Cafcass (Children and Family Court Advisory and Support Service):

Jabbar Sardar, Director of Human Resources and Organisational Development at Cafcass comments:

“Cafcass has recently designed workplace tools that use gamification theory. myWork, for example, is an electronic tool that enables colleagues to directly access a range of personal information relating to their work, learning, health and wellbeing and performance management. Introduced in 2013, the data can be viewed on an individual, team or service area level, with comparisons made to the national average. The tool has had a tremendous impact; in February 2014, Cafcass was inspected by Ofsted, where they found the organisation to be good with outstanding leadership, highlighting myWork as being effective at supporting individual and team performance.”

Such is the success of the tool, the organisation is looking to create a further tool to support health and wellbeing. Jabbar Sardar comments: “Cafcass will be designing an online portal that covers a range of metrics relating to the health and wellbeing of their staff. Discussion groups will be available for staff to provide support and advice to each other, as well as to promote organisational challenges, such as the organisation cycling a total distance in a month or reaching a certain number of steps in a day. We have been designing the portal based on encouraging and engaging staff in health and wellbeing; all key essentials of gamification, but also ensured it remains linked directly to the business need.”



Organisational barriers remain blockers to implementing gamification projects, but with further examples of how they are being used successfully – these can gradually be eroded. With a better understanding of what gamification

is – and extension of current practices, but using elements of gaming technology to encourage greater interaction – barriers towards adoption can be broken down.

Misconceptions around gamification

Another reason why gamification may not be realising its potential at present is due to inaccurate personal views held around who 'games' and how. Our research amongst HR Directors and employees found that most still think it is young men that game on consoles, whereas actually women aged over 45 are more likely to game on their tablets.

Given that nearly three quarters (73%) of HR Directors said they had never used any form of work gamification before, it's important to get the facts straight about who games and how in order to make informed decisions about whether gamification would reach a critical mass in a workforce.

Once professionals have identified a problem or challenge that could be solved via gamification, they should consider the demographic of their workforce and see where gamification can be used most effectively. The younger generation, 18-24 year olds, are most likely to play on their smartphones (75%) compared to 38% for those aged 55 and over. Older people (45-54) are most likely to play games on their tablets (28%) compared to 5% for 18-24 year olds. Therefore if you're looking to upskill your senior management team, with a majority demographic of over 45, then you should probably consider a solution that is optimised for tablets.

Selecting the right channel to reach your target audience isn't new either. Whether it's advertising in newspapers you know your target audience is reading, or tailoring communications in newsletters to speak to a certain demographic, businesses are used to flexing programmes to access the right people. So as for gamification, the same principles apply. If you are looking to target female employees over the age of 45 with a learning and development 'game', understand what format they'd like to receive this in and how they would like to engage with the programme. If its bite-sized learning that is available on tablets, this is a good place to start investigating the feasibility of transferring traditional programmes into a more modern medium.

It's worthwhile bearing in mind that this particular age group is likely to 'game' when at home too (75%), so it's important to consider how they are likely to engage with a workplace game during their own time.

Bev White, MD of Penna Career Services comments:



Gamification provides a real opportunity for individuals to continue with their personal career development in their own time and in a way that doesn't feel too laborious. Rather than taking a training day out of the office, gamification means that individuals can top up their learning as and when they want to engage in gaming. For example, setting a management question and scenario each day will encourage users to log in and challenge themselves to learn about how to manage certain workplace situations. This has the added benefit of employees taking control of their own career and development, where they previously may have relied on over stretched management to provide all the answers.

We're already using such gamification technology with some clients who want to upskill their employees, but put them in the driving seat of their careers. The technology acts as a great attraction and retention tool as a result, as employees can see the investment in them whilst being in charge of their learning at the same time.



We need more examples of gamification success however, as another area that may be holding organisations back from embarking on gamification projects is the opinion that it doesn't live up to its own hype.



There is a level of resistance to taking gamification further in eLearning modules because it's seen as frivolous and not sufficiently serious. There has until fairly recently been an issue about the cost of developing eLearning that employs gamification but that barrier is diminishing.

Richard Billingham, Director of Human Resources at Bristol City Council



Nick Dixon at Falmouth University comments: *“Gamification can be seen as not sufficiently serious for business, which makes it all the more important to showcase its impact. The reason why games are being increasingly invested in by corporate organisations though are their ability to demonstrate clear ROI. As with the nature of technology, it’s easy to capture data with regards to the success of a programme. Business leaders can be shown numerous data breakdowns with ‘games’ – such as how many users have engaged with it, how long they have played for, whether it’s been shared across their networks or led to a purchase of a product. If we can see behavioural change as a result of gamification in the workplace – an increase in promotions across the business, better retention rates, career satisfaction amongst employees increasing, for example – we can create much stronger business cases for its implementation.”*

As with any new project, being able to show the success of it in more than just words and sentiment is crucial to reinvestment. If project leaders can showcase that gamification has had a positive impact against pre-agreed benchmarks and KPIs, businesses are much more likely to see the benefits and reinvest, or roll the technology out to other areas of the organisation.

Demonstrating ROI of course remains central to securing investment but the lack of examples on the market is hindering this, as a graduate and student recruitment adviser for a government department explains with regards to recruitment: *“Gamification has been presented on at a number of industry events (Chartered Institute of Personnel and Development, Association of Graduate Recruiters, the FIRM Awards, etc.) – but I’ve yet to speak to anyone who can demonstrate a clear ROI or statistics to back up an increase in applications from successful candidates.”*

CASE STUDY

One organisation that has applied gamification to its recruitment strategy, in a bid to continue to attract the highest calibre of students to its graduate programme is KPMG.



The brief

KPMG wanted a student engagement and self-selection gaming solution that would:

- Provide early insight and a real taste of KPMG, so students could opt in or out of the hiring process
- Be closely linked to KPMG’s brand attributes: forward-thinking, expert, global mindset, passionate and value-adding
- Create a pool of engaged students who could be added to the Smart Network where they would hear about KPMG’s graduate programmes and how to apply

The game

Penna designed a web-based solution that kept KPMG front of mind when students were making decisions about their future careers and created a game that was intrinsically linked to desirable skills and behaviours they wanted successful candidates to possess.

Launched in July 2013, the ‘80 Days’ Business Challenge was an online hot air balloon race, for which a KPMG internship and travel vouchers to the value of £1,000 were the rewards for the gamer who reached the finish line in the shortest time.

Students were invited to circumnavigate the globe on a journey brought to life by integrating Google maps and HTML5 features like geolocation, audio and image tags. Players’ routes could take them in any direction; however, time in the air was limited so they had to land to refuel and tagged KPMG offices provided a wide choice of stop-off points (around 300 in total). On landing, players either viewed a short educational piece about the company or received a behaviours-based challenge. Students could choose 10 challenges from over 60 – which involved multiple choice, audio, time-based, click/tap and/or grid tools.

“Using gamification in our recruitment marketing and attraction strategy is part of our commitment to attracting great candidates in a new and exciting way. And with the dedication we’ve seen from applicants/gamers so far, it’s obvious we have some brilliant candidates and that the bar has been set high.”

Vanessa Soames, Head of Graduate, Recruitment and Recruitment Marketing at KPMG



Result

The viral launch demonstrated that KPMG was, once again, breaking new ground. Students lived and breathed KPMG brand values even before they'd joined the company and the tests they encountered identified all key behaviours:

- Mobility – students had to retrace their route and return to another KPMG office before they could continue
- Global Mindset – players needed a strong sense of direction, perspective and knowledge, quickly identifying (for example) the flag of the country they'd just landed in
- Listening skills – players heard audio pieces such as a KPMG insight article and had to answer questions about what was said

- Deadlines – players needed to arrive at a set destination within a certain time and complete the game in 80 days
- Eye for detail – this highly visual game included challenges such as identifying an error in a spreadsheet

The game's statistics for the first six months included:

- 1,581 registered users
- 3,630 games played
- 5,492 total challenges attempted
- 20 minutes average game length
- 51.4 days total time spent playing

Untapped resource – can be used for more than just engagement

Despite the fact that gamification can be used to bolster existing business practices, many organisations seem reluctant to engage with it further – potentially due to lack of understanding around the simplicity of the technology, perceived cost or not wanting to challenge established ways of working. But the technology already exists, as do compelling case studies of businesses that have implemented gamification successfully. We know from our research that HR Directors are struggling with learning and development and recruitment, but rather than considering gamification as a means of helping them to address such issues – the majority think it is best used for team building (44%).

Whilst for some employees 'gaming' in the workplace may feel like another job to be done, and potentially encroaching on their personal time, Nick Dixon at Falmouth University encourages us to look at the way different generations consume and understand games. He explains: *"In my generation and line of work, I have to capitalise on gaming engagement by looking at the background data, considering how to exploit avenues that are proving popular, and try to create the next big thing. My 13 year old daughter, however, just consumes; which is typical of her generation. They don't care about all the data, metrics and strategies behind playing a game – if they like it they'll carry on playing, which provides us with an interesting opportunity to engage the younger generations, particularly in the workplace."*

Penny de Valk, MD of
Penna's Talent Practice



"Gamification can be used for more than just team building, in fact in the learning and development space in particular it can be very powerful. From assessing someone's development needs in an interactive and engaging way, through to creating an individualised journey for them to address those development needs, gamification helps to identify and then tackle knowledge gaps. Given the nature of today's technology too, learning can take place whilst on the move – giving people the flexibility to tap into development opportunities when it suits them."

Julie Towers, MD of
Penna Recruitment Solutions



"We've seen great examples of organisations attracting talent through gaming and the Army is probably one of the most well documented case studies. In struggling to recruit entry level professionals, they have created games to help individuals get a better understanding of what a career in the army might be like. A far cry from the "your country needs you" posters, and equally the visual quality of box office breakers such as 'Call of Duty', individuals can game their way through army related scenarios – enjoying the process, whilst being encouraged to sign up."

Conclusion

At Penna, we really believe that we are on the verge of a major game changer if gamification is applied to the workplace effectively. But rather than thinking of it as the 'next big thing' organisations have to get their head around how it can apply to the workplace. It really is just a case of utilising existing practices and looking at the ways technology can make them better and more effective.

With a bit of leg work in advance, once implemented, technology can be self-sustaining and actually help organisations to save time and money. Rather than relying on old school practices, gamification can help to modernise systems and processes in an engaging way.

Whilst some of the 'braver' organisations have embarked upon programmes using gamification, there is still a long way to go before it is recognised as an established tool that can be used by human resource professionals alongside the suite of others they know and love. However, taking that first step will help organisations to realise that it's not a daunting delve into technology – but just a natural progression.

As we've uncovered, part of the reason why organisations are hesitant may be due to a lack of knowledge about what gamification is, where it can be applied and who will engage with it. It's clear that there are plentiful opportunities for gamification to support organisations – from helping to attract talent to assessing employees, and engaging with stakeholders in a new and creative way to making the mundane more interesting.

As with any new venture, professionals need to understand the landscape in which they are operating and consider whether there is a genuine need where gamification could provide a solution to tackle any issues they are

facing. If organisations are struggling to reach a particular age demographic in recruitment, or their training and development programmes could use reinvigorating, gamification could prove to be very valuable. Given that its technology based too, metrics can easily be worked into programmes from the offset – making KPI tracking transparent from the outset.

If professionals put together a business case as to the issues their organisation faces and how gamification can help overcome these challenges, with anticipated metrics around its impact, the more likely they are to receive sign off from key stakeholders. By showcasing this in a simple way, highlighting how similar technology and sales and marketing practices are already being deployed, the more likely you are to secure investment.

Gamification doesn't have to involve a large investment either, as we know that gaming elements are present in our everyday lives which we can apply to the workplace. Once set up, it can continue to run with minimal impact on time – helping to onboard new starters for example. The beauty of technology being that it can be tweaked over time, ensuring that it remains up-to-date and relevant.

As we see gamification gradually taking off with organisations, stronger business cases for its development can be made as more and more ROI figures come to light. In the meantime though, we'd encourage organisations to at least start to explore gamification and its possibilities, leaving any unfounded opinions about who uses it and how at the door. Whilst many would be operating in virgin territories, it's better to be on the front foot than scrabbling to catch up with competitors. Innovation and technology shows no sign of slowing either, so now is as good a time as ever.

For further information

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