DIGITALIZING HUMAN RESOURCES THROUGH GAMIFICATION FOR EMPLOYEE ENGAGEMENT

Ms. Deotima Saha,  
MBA I HR  
Symbiosis Institute of Business Management  
Symbiosis International University,  
Symbiosis Knowledge Village,  
Pune  
deotima.saha18@associates.sibmpune.edu.in

Prof. Deepika Pandita,  
Asst. Professor  
Symbiosis Institute of Business Management  
Symbiosis International University,  
Symbiosis Knowledge Village,  
Pune  
deepikapandita@sibmpune.edu.in

ABSTRACT

While employees of the Industrial Revolution were known to be manual workers and those of the Information Age as knowledge workers, employees in today's Technological era are a new kind of generation known as Digital Natives. This generation has compelled a change in the conventional ideologies of people management at workplaces by posing a challenge to organizations in general and HR managers in particular on how to manage them as they bring with them unique work skills and attitudes. Gamification can enhance learners’ autonomous motivation and enable them to feel enthusiastic during their tenure in the organization. The objective of this paper is to understand how gamification can bring about employee engagement. This paper aims to examine the initiatives by the companies by adopting Gamification as a tool to engage employees. The information is gained from literature review of key reports on Gamification and employee engagement. There are also major review of few organizations across sectors practising Gamification initiatives as a part to engage the employees of the organization. This paper contributes to the understanding of Gamification in various organizations and its impact on employee engagement.

Keywords: Human resources, Gamification, Digital HRM, performance, e-learning

INTRODUCTION

People are the most important asset for an organization. According to a survey by KPMG (2012), people matters are among the top five concerns for business leaders. As the world economies continue to globalise, organisations continue to intensify their global investment (Guthridge and Komm, 2008). In the past decade, talent has been the prime focus and gained a good amount of momentum, which reflects the critical role played by the attracting, developing as well as retaining of talented people and the impact on EVP on success stories of businesses. The term gamification has become the latest buzzword in the HR world which is the use of game mechanics in non-game contexts. As games have amazing ability to hold people's attention for a long time, build relationship, win recognition and develop creativity, it is being widely used to gain business advantage by successfully attracting, engaging, motivating and retaining talent. Digitalization in Human Resources in the workplace and on leadership teams is a critical success factor in making better decisions and developing more innovative business solutions. Research shows that groups with more initiatives by digital HR processes through Gamification, and flexibility in thinking almost always
outperform homogeneous groups in the business environment and lead to higher levels of creativity, innovation and organisational agility. The idea of using games for learning is not new. This is customary especially in the case of direct interaction between the employees and the organization.

LITERATURE REVIEW

Gamification (Deterding et al., 2011) is the use of game-play mechanics for non-game applications. Any application, task, process or context can theoretically be gamified. Gamification’s main goal is to rise the engagement of users by using game-like techniques such as scoreboards and personalized fast feedback (Flatla et al., 2011) making the employees feel more ownership and purpose when engaging with tasks (Pavlus, 2010). Gamification is used in several different contexts mostly business and marketing, but we further wish to demonstrate its utility and importance in the educational environment as well. By incorporating game elements into work activities we wish to raise motivation (Shneiderman, 2004) but, in order to do so, we need to pay attention to the integration of tasks and exercises within the game design (Von Ahn and Dabbish, 2008).

A demonstrated focus on gamification enables an organisation to attract and retain the best talent, to build a high performance workforce and to reduce the cost of employee turnover. Creating gamers for learning employ costly resources. A simpler yet still efficient approach is to use gamification in order to make the content more attractive and engage users. By using gamification in e-learning we wish to trigger a more efficient and engaging learning behaviour. B.J. Fogg argues that people respond to computers as they were persons, especially when gaming (Fogg, 2002). In order to change or trigger a certain behaviour students need to be motivated and at the same time have the ability to solve the challenges.

Gamification also implies a social game and interaction with other participants. Fogg explains that when people perceive social presence, they naturally respond in social ways and have feelings like empathy or anger, or following social rules such as taking turns (Fogg, 2002). Gamification is the use of game play elements for non-game applications, particularly consumer-oriented web and mobile sites, in order to encourage people to adopt the applications. It also strives to encourage users to engage in desired behaviours in connection with the applications (http://en.wikipedia.org/wiki/Gamification). This definition is related to similar pre-existing concepts such as serious games, serious gaming, playful interaction, and game-based technologies (Deterding et al., 2011). Mundane activities especially for a longer period of time are not appealing but by combining these activities with simple games we can create a more effective way to motivate people (Chronis and Sundekk, 2011). Turning useful activities into games is called gamification and it has found its way into many uses such as education. Gamification is a quite recent concept, on the market as well as in research, but it has a big potential. It has been added to the Gartner Hype Cycle for 2011. Gartner Group predicts gamification will be a key trend that every CIO, IT planner and enterprise architect must be aware of as it relates to business (Gartner Group, 2011). Employee engagement is an effective tool to help every organisation to strive to gain competitive advantage over the others. People is one factor that cannot be duplicated or imitated by the competitors and is considered the most valuable asset if managed and engaged properly. This point has been emphasised by Baumruk (2004), in that employee engagement is considered to be the most powerful factor to measure a company’s vigour.
Katz and Kahn (1966) have referred to the concept of engagement in their work related to organisational effectiveness. However, it was mentioned in general as one of a number of needs to be developed to provide an innovative and co-operative work environment leading to performance and effectiveness. In 1990 Kahn (1990, p. 694) introduced the concept of employee engagement, giving his now famous definition quoted in the introduction, namely, “the harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances”. Kahn added that three psychological engagement conditions are necessary for an employee to be rightly engaged: meaningfulness (work elements), safety (social elements, including management style, process, and organisational norms) and availability (individual distractions).

Employee engagement brings forth numerous advantages for the firm. Employee engagement is a tool which could be deployed in the organization so that the talent is appropriately deployed and harnessed effectively. It helps in building employee commitment and helps employees perform better in their roles. It leads to focused efforts and better outcomes. It translates into greater innovation, commitment to organisation, positive energy and higher productivity. It also leads to lower attrition levels and absenteeism. Engaged employees love their jobs, believe their employer, company goals and the manner in which they conduct their business (Smartmanager.com, 2012). They exhibit high levels of passion and creativity and they believe they create value and management.

Different people have different needs and desires and the satisfaction level of the motivational factors keeps changing. Therefore it is a challenge for all the HR professionals today to understand their employees as groups and accordingly incorporate the motivational factors as a set or group of rewards for different groups of employees (Singh, 2012). Modern generation of workers are more focused on the diverse use of their knowledge, skills, creativity and are looking for freedom and independence at work which makes gamification as relevant as ever (Kamasheva, Valeev, Yagudin & Maksimova, 2015).

RATIONALE OF THE RESEARCH

The purpose of this article is to analyse and examine the importance of gamification in businesses today. This article also looks at the modern trends and techniques of gamification in HRM and identifies the functions in which it is being conceptualised and employed to achieve organisational effectiveness by increasing employee engagement. In this age of immense competition and technology, employers around the world regard their employees as the most valuable asset. Different generations of employees, from baby boomers to millennials, bring varying aspirations, attitudes and values to the workplace. Augmenting a business process with game mechanics has led to significant productivity improvements (Smith, 2011). Thus, it is of utmost importance to explore how various organisations are applying innovative approaches in their engagement strategies for their employees by leveraging numerous gamified techniques. This paper, therefore, provides a comparative analysis on the implementation of gamification in the business processes of organisations which has helped them harness employee loyalty and build stronger employer-employee relationship.

Finally, we also shed some light on the future of gamification as games can - and will - be an important component of the workplace of the future (Smith, 2011).
RESEARCH METHODOLOGY
To continue with our work on gamification and an endeavour to bring some clarity on the area of digitalization of HRM, this paper is based on a systematic review of literature on Gamification which seeks to synthesize the current thinking and evidence. Emphasis is drawn on specifically on drivers of gamification and its use in the functions of human resources which have an impact on performance of the employee. Literature for this study was predominantly sourced from internet searches and use of management journal databases such as EBSCO, EMERALD, Elsevier and SCOPUS from the year 2001 to 2016.

RESULTS & FINDINGS
Through our study, we found out that gamification is not only about virtually recreating a mesmeric experience by using game elements and mechanics, it is also about designing HR processes by utilising ideas of best practice from a range of fields – fun and motivation in particular. Furthermore, with increasing pressure for HR to add value the use of gamification in HR might also provide one way for organisations to measure that contribution (Simpson & Jenkins, 2015).

Today gamification of HR processes has immensely contributed to strengthening the relationships among various stakeholders of an organisation – the employees, the customers and the partners. Some of the key gamification trends that have gained popularity in the recent times are as below: (Refer Fig. 1)

Gamification of HR is all about being business-oriented, gearing activities toward the achievement of both player and business objectives and goals. With gamification, you are encouraging people to do more of what you want them to do and also get better at it (Simpson & Jenkins, 2015). Gamified approach is being applied in HR to attract, induct, train and develop, engage and retain employees. It is also highly imperative for all the HR professionals to understand this concept thoroughly to develop effective gamification strategies in order to achieve organisational objectives. (Erica Lasola-Caramol, 2016) The benefits of gamification are shown below: (Refer Fig. 2)

- GAMIFICATION IN RECRUITMENT AND SELECTION
As gamification provide huge stimulus for action, it has been extensively used to test candidate’s skills and motivate them to complete certain tasks. Rewarding and recognizing the highest achieving players in the hiring game, recruiters have been able to easily spot those candidates who fit the desired requirement. Tech giants like Google and Facebook organise competitions like Google Code Jam and Facebook Hacker Cup respectively to increase exposure and attract fresh talent. (Isabel Williams, 2015). Another example is a recruiting game “My Marriott Hotel”, developed by Marriott International, to attract the Millennials. The game allows the participants to experience a virtual hotel restaurant kitchen and manage the various hotel operations like buying equipment and ingredients on a budget, hiring and training employees and finally serving guests. Participants are awarded points for happy customers and when their operation turns a profit but lose points for poor service. At L’Oréal, the task of attracting and evaluating promising undergraduates is done via their talent spotting tool “Brandstorm”. Here the candidates are assigned a role of an international marketing director. Student teams of three receive a case study and information packet to begin a market analysis. They are given the responsibility to launch an innovative product with guidance from L’Oréal executives. For example, in 2014, students were
given a challenge to develop a new men’s line for Kiehl’s skin care products. (Dave Zielinski, 2015). These talent acquisition strategies help the recruiters assess the candidates for their drive for innovation, communication, ability to solve a given problem, capacity to perform under pressure as well as team spirit. Organisations looking for highly creative candidates with a strong learning orientation are benefitted the most through this approach. Other methods where gamifies elements are incorporated to source talent are virtual job fairs, tests and puzzles, rewards, real-time progress and video based interviews.

- **GAMIFICATION IN INDUCTION AND ORIENTATION**

  In 2013, Gartner had predicted that by 2015 more than 50% of corporate processes would be gamified and that 40% of the 1000 biggest companies in the world would deploy gamification in the quest for business benefits.

  Induction and Orientation training is a critical process for HR as it helps to provide the right information to the newly hired employees and ensure maximum productivity as swiftly as possible. It enables employees to have first positive experiences of their company, workplace, colleagues and team members. Aberdeen Research, in its February 2013 report, stated that on boarding with gamification produced significant improvements in turnover and engagement levels. Deloitte LLP’s on boarding game focusses on team work and collaboration. Here, groups of new hires from different backgrounds and experiences are formed and are made to learn about the compliance, ethics and privacy of the company. Later, each team member asks a pre-set question to the group and the group replies with an answer. If there is any difference, the members discuss and come up with the best and appropriate answer (Rachelle Falls, 2013). Make My Trip has designed an engaging training program where the new hire plays a game with a pair of headset given by the company. Through this, the company aims to acquaint them with the culture/values of the organization in an effective manner. HCL has developed an interesting game with the help of a monopoly game which the potential candidate has to play and based on the behaviour of the candidate in the game, the company can figure out the skills, attributes and their intention to join (Shipra Manchanda, 2014). This is one of the path-breaking uses of gamification in this area to reduce the drop rates of employees at the time of joining.

- **GAMIFICATION IN TRAINING & DEVELOPMENT**

  Games are often more effective for learning than traditional training approaches (Li Whybrow, 2015). Big companies like McDonalds and Walmart have incorporated gamified approach in their training and development processes to make their employees more efficient thus increasing revenue and reducing costs.

  McDonalds trained their staff on the new cash register and ordering system by turning the entire environment into a game with scores, challenges, timers, and feedback. The staff was allowed to make mistakes and learn from them. The success of the game resulted to a revenue impact of GBP 23 Million. Similarly, WalMart designed a Safety Education Program to train their employees on the safety and compliance procedures. This was a game based approach where workers could learn at their own pace and choose levels. As the program was short, concise and points oriented, this resulted in dramatic results. After 6 months, WalMart reported lost time cut by over 50% and below industry average incidents.
• **GAMIFICATION IN PERFORMANCE MANAGEMENT**

While performance management without gamification is about measuring performance, gamified performance management (GPM) is more about coaching experience. A CEB research found that 6% of Fortune 500 companies have decided to stop using rankings, which used to be the standard for HRM. Accenture has announced that it is getting rid of annual performance rankings and reviews. Gamified performance management is focused on shorter term goals, fast feedback cycles and on-going feedback. It is a fair and transparent system where everyone is rated on the same parameters and in the same way. (Rimon, 2015)

Australian start-up Wooboard has developed an interesting idea where employees thank each other for work they have done by sending a (whimsically named) “Woo” and tagging it with a category which are maintained by management and reflect the core-values and activities the management wants to encourage). This standalone system enables peer-recognition. A US based gaming and entertainment company IGN, through a system called “Viral Pay”, enables their employees to decide who should earn more bonuses. In this system, every employee receives “Tokens of Appreciation” twice a year which they can distribute to other employees. This motivates the employees and empowers them to reward each other helping out and going the last mile. (Mario Herger, 2015)

Gamification is recently successfully in websites in order to create loyalty, brand awareness and effective marketing engagement (Foursquare, Stack Overflow) (Daniels, 2010), but according to our observations it can successfully be used also in the educational environment.

There are several successful gamification examples like Zero Emission from Nissan used for its ecological model Nissan Leaf. Kobo Reading Life is an application that tries to gamify reading. Nike ID is an e-commerce gamified application allowing users to design they own shoes and the most popular designs gather points. Various application of gamification can be found in the industry of health and wellness: Keas, FitBit, Lose It. Motivation and learning also offer examples like: Stick.com, Mind Snacks, and English Attack.

Gamification desires to combine intrinsic motivation with extrinsic one in order to raise motivation and engagement. Intrinsic motivations come from within, the user/actor decides whether to make an action or not, some examples are: altruism, competition, cooperation, sense of belonging, love or aggression. Extrinsic motivations, on the other hand, occur when something or someone determines the user to make an action for example: classifications, levels, points, badges, awards, missions (Viola, 2011). Figure 3 demonstrates which intrinsic motivation can be generated through existing game mechanics. (Refer Fig. 3)

When trying to gamify an application there are some key components that need to be taken into consideration and that build up a coherent overview of the entire functionality (utility) of an application/website. Game mechanics and features are comprised in the game design in order to create gameplay (http://gamification.org). Game mechanics are a set of rules and feedback loops that create the gameplay. They represent the fundamentals of any gamified context. Each game mechanic is characterized by three attributes:

- **Game mechanics type:** Progression, Feedback, Behavioural
- **Benefits:** engagement, loyalty, time spent, influence, fun, SEO, UGC, Virality
- **Personality types:** explorers, achievers, socializers and killers.
GAMIFICATION AFFECTS EMPLOYEE ENGAGEMENT

Schmidt et al defines employee engagement as employees’ “involvement with, commitment to and satisfaction with work.”

Accenture’s quiz based “Path to Success” Facebook app tested the aptitude of the users while keeping them engaged in an interesting gameplay. Participants had to roll the dice to land on a tile and they were faced with a trivia question and rewarded for each correct answer while they climbed up the corporate ladder. This helped the company engage their employees and subsequently build a pipeline of talent with the help of the data collected through this game. (Shipra Manchanda, 2014)

GAMIFICATION FOR DISENGAGED EMPLOYEES

In a report by Gallup, it was found that over 70 percent of employees are disengaged. This explains the importance inventing innovative engagement strategies (George Bradt, 2013). Moreover, studies have shown that the millennials represent the least engaged workforce (almost two-thirds) who need to be taken care of in order to thrive in a highly competitive economy (Pyle, 2015). To engage the disengaged employees’ heads, hearts and hands, organisations must adopt these ten C’s of employee engagement: Connect, Career, Clarity, Convey, Congratulate, Contribute, Control, Collaborate, Credibility and Confidence (Seijts & Crim, 2006).

SAP, to motivate and engage its massive salesforce, implemented a gamified application “Roadwarrior” which enables the sales reps to compete against each other in a multiple choice type game to become leaders of their own expertise (Pyle, 2015). Statistics show that 43% highly engaged employees receive feedback at least once a week as compared to 18% of employees with low engagement (Fermin, 2014). Thus, constant feedback and recognition is also one of the best ways to engage the disengaged employees. This can be successfully achieved through gamification. Telstra Australia has introduced an embedded social recognition system to radically improve its employee engagement levels. Here, social media and smart boards are used to recognise colleagues through a gaming smartboard method which saw an increase in the engagement levels over time.

IMPLICATIONS

Gamification has accounted for tremendous growth in achieving various social business initiatives in the organization and bringing new way of thinking by aligning game objectives with the desired outcome in the organization (Maan, 2013). Gamification has helped in reinforcing positive behaviours and skills in Millennials and achieve goals and targets in a much more causal and fun environment. It has also facilitated productive communication between employees and departments bringing phenomenal difference in the way organisations work today. Thus, there is a big opportunity for next-generation organizations to explore new game practices to understand building blocks of enterprise gamification and such organizations would harness gaming principles to influence behaviours of key stakeholders in the ecosystem (Maan, 2013). (Refer Fig. 4)

Combining practicality with gamification has helped businesses bring together their four core areas- Employees, Customers, Processes and Products. Processes have become more streamlined due to the transparency and openness of the gamified approach. Gamification is used by brands to create a healthy competition and increase customer participation and loyalty. Companies have become increasingly tech savvy with the rise of strategic Human Resource Management
approaches in the workplace. Gamification Frameworks, in future, will offer models for customer and employee-facing initiatives for a sophisticated and fast gamification deployment (Maan, 2013).

**DISADVANTAGES OF GAMIFICATION**

We have seen that gamification is helpful in many functions of HR to increase engagement levels as well as productivity of the employees. However, it is not right in each and every scenario. Managers should understand when and where to implement a gamified approach to receive better results. Some of the cons of gamification are:

- Gamification, if not designed properly, can create a set of false incentives. In Training and Development, employees might know how to ace a game and be a leader at it but might not be able to implement the learning into his/her work.
- Gamification can ruin motivation if it is based on money alone. The millennials today aspire for challenging and meaningful work. If gamification is based on money alone and not on constructive learning, it might dampen their motivation and prove to be risky.
- The cost of implementing a gamified learning is also high as it includes equipment costs, software costs, and training costs for instructors.
- Setting up a game requires a lot of prior research and planning which is time consuming and tedious. Many a time the creators need to play the game they to better understand its objectives and process to be able to help the employees apprehend the same.

**CONCLUSION**

Gamification does not imply creating a game. It means makes HR initiatives more fun and engaging employees, without undermining its credibility. Gamification helps employees gain motivation towards their role and KRAs, and because of the positive feedback they get pushed forwards and become more interested and stimulated to learn. Gamification can constitute a powerful boost to determine the employees to study/read more. Engagement is the important metric for success in gamification. There are several metrics to analyze engagement which due to technological advancement in analytics can be included into such a web application. These metrics are: page views per visitor, time spent on site, total time per user, frequency of visit, participation and conversions.

By gamifying an e-course for learning and development we do not wish to replace the intrinsic motivation of student, which is stinger and more long term, with the extrinsic one, but offer a combination of the two for a better performance.

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Source: Bunchball.com

Fig 4: Impact of Gamification on Business

Source: Burke, B. (2012).