NANO TOOLS FOR LEADERS®

USING GAMIFICATION TO BOOST PERFORMANCE AND PRODUCTIVITY

Nano Tools for Leaders® are fast, effective leadership tools that you can learn and start using in less than 15 minutes — with the potential to significantly impact your success as a leader and the engagement and productivity of the people you lead.

Contributor: Ethan Mollick, PhD, Edward B. and Shirley R. Shils Assistant Professor of Management, The Wharton School, University of Pennsylvania.

THE GOAL:

Explore new ways to motivate employees and customers using techniques from game designers.

NANO TOOL:

In 2013, people spent over 11 billion person-hours playing the game Angry Birds — and they paid for the privilege of doing so. Imagine if you could motivate your employees or customers to show the same devotion to your company. That is the promise of the concept of gamification: applying techniques developed by game designers to serious work in order to make it more engaging, productive, and meaningful. Gamification provides companies with a new way to relate to customers, train employees, spur innovation, and encourage productivity.

There are two ways to approach gamification. The first is to redesign your work processes to incorporate the lessons of games in order to incentivize employees and customers. Doing this right involves carefully balancing the art of game design with your business goals — it's a tricky process and is best left to professionals.

However, the second approach also offers robust benefits, and isn't nearly as complicated. Employing simple techniques drawn from games can help you better engage employees, and even rethink work to make it more meaningful and fun. The basics of gamification also offer a great tool to think about how to better engage customers.

HOW COMPANIES USE IT:

- Microsoft wanted employees to beta-test an upcoming version of its Windows operating system. Employees were reluctant to spend the time to voluntarily download the new software, until it was turned into a hangman-like game. Players earned virtual letters (spelling out B-E-T-A) for completing various tasks, but no other prizes or rewards. As soon as the game was implemented, participation quadrupled. Microsoft now uses games to motivate employees in many ways, including Communicate Hope, which encouraged players to test new products by having teams compete against each other in order to help disaster relief. Those who played the game participated at sixteen times the rate of non-gamers.

- In order to boost recruitment, the U.S. Army created a game, America's Army, which puts players through a simulated basic training before playing an exciting team-based combat game. The game cost just 0.25% of the Army's recruiting budget, but was more effective at attracting recruits than all other forms of advertising combined.

- Zappos tries to create a tight-knit atmosphere at its corporate headquarters. One way it does so is through a game. When employees log onto the corporate intranet, they are shown the face of someone at the company and asked to identify them. If they can't, they are encouraged to email the person to meet them and create a new connection.

ACTION STEPS:

1. **Decide on your goal.** For a first test of gamification, pick an optional activity that you would like to incentivize. Do you want your customers to click on an ad? Do you want your employees to join a mentoring program? Would you like people to engage in voluntary training?

2. **Develop a loop.** Games are built around the idea of "engagement loops." Players are given a clear goal, they are asked to take an action, and they are given immediate feedback on that goal. Ask yourself what the engagement loop is for the activity you selected. How does your audience know what their immediate, actionable goal is? What simple action can they take? And how do you give them immediate feedback so that they feel that they have accomplished something? Finally, to make it a loop, you need to consider how to give your audience the next actionable goal for them to work towards. Thinking about engagement loops will not only help you think about games and gamification, it can also help you think about what motivates your employees and customers to act. You can also look at some more advanced ways to think about engagement loops in the **Additional Resources** below.

3. **Create a sense of progression.** Games are often effective because they give people a sense of accomplishment missing in many "real life" tasks. Engagement loops in games become increasingly challenging as the player masters the basics of the game. How will you provide that sense of progression? You could make the tasks asked of players more challenging, you could give players virtual rewards (such as special badges that appear in their intranet profile), or you could add new twists to their old activities. In any case, asking your audience to do the same thing over and over again without change is not just bad game design — it is inherently demotivating.

4. **Level up.** Games can be used for far more than simple motivation. Think about how you can use games to make your training more effective, your website more compelling, and your employees more satisfied with your job. These are not easy tasks, but games offer an important way to motivate and engage employees and customers.

ADDITIONAL RESOURCES:

- *Changing the Game: How Video Games are Transforming the Future of Business*, Ethan Mollick and David Edery (FT Press, 2008). Covers a wide range of uses for games in business.

- *For the Win: How Game Thinking Can Revolutionize Your Business*, Kevin Werbach and Dan Hunter (Wharton Digital Press, 2012). Presents a guide to engagement loops and thinking like a game designer.

- Ethan Mollick teaches innovation and entrepreneurship in Wharton's *The Leadership Edge*, a program for new leaders held at Wharton's San Francisco campus, as well as other Executive Education programs on innovation.

ABOUT NANO TOOLS:

Nano Tools for Leaders® was conceived and developed by Deb Giffen, MCC, Director of Innovative Learning Solutions at Wharton Executive Education. It is jointly sponsored by Wharton Executive Education and Wharton's Center for Leadership and Change Management, Wharton Professor of Management Michael Useem, Director. Nano Tools' Academic Director is John Paul MacDuffie, Wharton Associate Professor of Management, and Director of the Program on Vehicle and Mobility Innovation (PVMI) at Wharton's Mack Institute for Innovation Management.