

# **INTRODUCTION OF INTERNAL GAMIFICATION IN HR**

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## **Abstract**

The article is devoted to the study of gamification as an important part in the field of human resource management. Considered reasons, preconditions of its appearance and such popularity among modern companies. The spheres of application of gamification in HR are defined. Shown examples and experience of the Ukrainian enterprises which are actively implementing gamification methods and technologies in their activity. It is stated that for each unique corporate culture the essence and content of gamification are different and depend on the goals of its implementation. The advantages, disadvantages of gamification and nuances that may arise and inhibit its use are noted.

**Keywords: gamification; efficiency; motivation; management; involvement.**

## **Introduction**

The emergence and rapid development of modern technologies, changing generations and orientations require a rethinking of views and methods in HR. Gamification, as a new trend, helps to ensure a high level of employee involvement, greater efficiency of business processes. Using gamification, you can more effectively motivate employees, help and train them and diverse routine work. In Ukraine, the concept and role of gamification appeared not so long ago, although it was talked about in the world a few years ago. Unfortunately, most domestic companies focus on material incentives and underestimate the role of intangible motivation. Therefore, Ukrainian companies should analyze the successful foreign experience and try to adopt it.

### **1. Analysis of recent research and publications**

Despite the trends that have emerged in the use of gamification, few authors and scientists today pay attention to this innovative tool for managing human behaviour. L. Sergeeva<sup>1</sup>, O. Vinogradova<sup>2</sup>, G. Sereda<sup>3</sup> and other authors, devoted to the application of gamification tools in staff motivation. The works of foreign scientists and practitioners Michael Barber<sup>4</sup>, Gabe Zickermann<sup>5</sup>, Maciej Laskowski<sup>6</sup>, etc. are devoted more to the problems of using game technologies in HR management. Kevin Werbach and Dan Hunter<sup>7</sup> distinguish between internal and external gamification. Internal gamification involves the using of gaming technology to increase productivity, stimulate the innovation process, strengthen team spirit and other tasks performed by the company's employees.<sup>7</sup> External gamification is aimed at attracting consumers and potential customers to increase brand awareness and increase company revenue. Internal gamification is aimed at improving the efficiency of the company, motivating and increasing employee loyalty, in according to such a simplified classification, gamification in HR-management falls into the group of internal gamification.<sup>3</sup>

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<sup>1</sup> Sergejeva, L. (2014). Gamification: game mechanics for motivating staff, Theory and methods of educational management, (2), [Online]. Available at:

[http://umo.edu.ua/images/content/nashi\\_vydanya/metod\\_upr\\_osvit/v\\_15/14.pdf](http://umo.edu.ua/images/content/nashi_vydanya/metod_upr_osvit/v_15/14.pdf)

<sup>2</sup> Vynogradova Olena, Litvinova Olga, Pilgrim Katerina (2017). The essence of gamification tools in the staff motivation system, Economy. Management. Business, (4), [Online]. Available at: <http://journals.dut.edu.ua/index.php/emb/article/view/1657>

<sup>3</sup> Sereda, G. (2017). THE GAMIFICATION IN PERSONNEL MANAGEMENT: FOREIGN AND UKRAINIAN EXPERIENCE, Economics and organization of management, (4), [Online]. Available at: <https://jeou.donnu.edu.ua/article/view/6006>

<sup>4</sup> Barber Michael (2007). The Learning Game: The Case for a Revolution in Education, Moscow

<sup>5</sup> Gabe Zichermann, Joselin Linder (2013). The Gamification Revolution: How Leaders Leverage Game Mechanics to Crush the Competition, New York: McGraw Hill Professional

<sup>6</sup> Laskowski Maciej (2011). Student projects as an addendum to university study path, ACTUAL PROBLEMS OF ECONOMICS, (10), pp. 447–451

<sup>7</sup> Kevin Werbach, Dan Hunter (2012) For the Win: How Game Thinking Can Revolutionize Your Business, Wharton Digital Press

The purpose of the article is to introduce internal gamification by domestic enterprises in personnel management. Transformation of HR-processes, constant changes in the introduction of new mechanisms and technologies to simplify personnel management systems focus on the formation of skills and abilities of employees to quickly perform tasks, be more creative, mobile, learn quickly and meet modern labour market requirements. Consider the evolution of HR technologies that are currently taking place (Table 1).

**Table 1. Transformation of HR-technologies**

Strategic HR	From building a strategy	To the management of innovative exchange and adaptive benefits
Organizational modeling and organizational design	From the construction of functional structures	To building P&L profit centers and team-based structures
Recruitment	From competency profiles and traditional search and selection methods (job sites, social networks, recruitment agencies, Executive Search, Headhunting)	To competency profiles and behavioural profiles (smart recruiting, Digital interviews (Skype, video conferencing, video interviews))
Personnel training	From the dominance of offline learning	To the ability to gain knowledge and learning anywhere and anytime, gaming technology in training and staff development: MOOCs (Massive Open Online Courses)
Corporate social responsibility	From social projects	To the implementation of CSR programs in the production chain
Team management	From training managers to manage remote employees and freelancers	To developing models of cooperation for their retention to models of attracting remote employees and freelancers in the corporate culture
Compensation management	From performance management	To management of enthusiasm and contribution to the team, organization (assessment of loyalty and involvement), rating of charitable projects for top management
Employer brand management	From building an employer brand to hiring staff	To building a brand to retain staff (Lifecycle)
Change management	From change management	To increasing the coefficient of agility (Agility Quotient)

Source: systematized on basis <sup>8 9</sup>

## **2. The concept of gamification, its methods and application in Ukraine**

Gamification is the use of game approaches for non-game processes, which allows increasing staff involvement, motivation and loyalty of employees. Adults enjoy the same game as in childhood. And if you take into account that a third of humanity loves to play electronic games, it is not surprising that there are more and more processes of gamification in business. It makes the work more interesting, fun and creative.

The power of gamification is that it uses a sense of passion and desire for the competition that everyone has. When we play the game, we become more interested and involved, feel the desire to achieve and put more effort. And as we progress, we continue to deepen into the gameplay, reaching new heights. That is, feelings of excitement and curiosity return a person to childhood. Working with young people, it's necessary to pay attention to creating additional interest and quick rewarding efforts, as typical representatives of generations Y and Z are less likely to follow the instructions.

The Millennium generation grew up playing computer games with a short attention span and low motivation. The future goes with them because they will start managing companies and determining the trends of the world economy one day. The generation values not only monetary rewards, but also the opportunity for career growth, self-realization, creativity in solving various tasks. Therefore, in order not to lose the competition, it is worth learning to work with gamification tools today.<sup>10</sup>

One or another method of gamification depends on the functions of personnel management or individual processes, such as recruitment, training, motivation, adaptation. Gamification in HR is

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<sup>8</sup> Zhanna Balabanyuk. Forbes Ukraine. Challenges and opportunities of the future: what awaits HR in 2020-2025, Available at: <http://forbes.net.ua/ua/opinions/1412428-vikliki-i-mozhlivosti-majbutnogo-shcho-chekae-hr-u-2020-2025-rokah>

<sup>9</sup> Artemenko, L., Salabai, V. (2019). CHALLENGES AND TRANSFORMATIONS IN THE HR, TOPICAL ISSUES OF ECONOMICS, ACCOUNTING, FINANCE AND LAW IN UKRAINE AND THE WORLD, pp. 32-33.

<sup>10</sup> Top 5 rules for implementing gamification in business, Available at: <https://www.patprofi.world/top-5-pravil-vprovadzheniya-gejmifikaci%D1%97-v-biznes/?lang=uk>

also useful for team building, organizing a healthy workspace. As a result, the level of stress in the office decreases (complex tasks turn into exciting quests), healthy passion for achieving results increases.<sup>11</sup>

Employees should be notified before implementing the gamification. It can be a specially created platform for communication during the project (chats, platforms to highlight ratings and results). Next, it is necessary to acknowledge in public the achievements of the participants. It is possible to organize interviews with employees about the best game techniques. The final event is announcing the results and rewardings.<sup>10</sup>

Mostly, gamification is used for motivation. It is important to note that fair play requires clear rules that cannot be broken. The employee takes specific actions following these rules and receives a guaranteed gift. The ultimate goal is rewarded. These can be points, stickers, virtual badges, real prizes and other bonuses.<sup>12</sup>

Suppose a company implements a scoring system using scores, badges, and so on. Usually, these or other objects displayed in front of other participants can serve as markers of completed collective or individual play activities. These prizes (achievements) are concealed and then opened after a certain stage. They can vary in complexity. Rewards for the results of some conditional tests, special tasks, the implementation of several functions, the completion of necessary game actions raise the motivation and interest of employees.<sup>13</sup>

Another method may be competition-based gamification. For example, there is a specific task and an indicator that reflects the achievement or failure to achieve the goal. In this case, you can use

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<sup>11</sup> Artemenko, L., Pichugina, M. (2020) HR MANAGEMENT: lecture notes. [Online]: a textbook for students specialty 073 "Management", specialization "Management and business administration". Available at: <https://ela.kpi.ua/handle/123456789/35350>

<sup>12</sup> Sundalov, M. (2020) Playful business: how to use gamification, Available at: <https://www.epravda.com.ua/rus/columns/2020/10/13/666196/>

<sup>13</sup> GAMIFICATION IN HR: IDEAS OF MOTIVATION AND INVOLVEMENT IN WORK, Available at: <https://peopleforce.io/ru/blog/gejmifikatsiya-v-hr-idei-motivatsii-i-vovlecheniya-v-rabotu/>

tables or lists with the ranking of leaders for some time. An employee's rating can be depicted as a plant, such as a tree that grows is fertilized with new knowledge, skills of the employee, or dries up if it does not develop. Competitive gamification is a fairly popular technique but can be ineffective when lower-ranking employees are not motivated to improve their performance. The reason is that they find it impossible to make it to the top and leaders are too afraid to lose their positions.<sup>13</sup>

Instead of competition, you can use a Win-Win strategy, where there are no winners or losers. This method allows you to attract the maximum number of participants.

It's necessary to consider the importance of feedback. Gradually immersed in problematic issues, employees receive it. It causes them a sense of excitement, curiosity and interest. They are aware of their mistakes and know how to correct them.

There is 75% of psychology and only 25% of technology in gamification. Therefore, it is important to think through a strategy, define and formulate specific business goals. It is also important to understand that gamification involves employees on an emotional level, which is much more important than scores, badges and leaderboards.<sup>14</sup>

In second place in terms of use - recruitment, especially in the technological industries. Large companies, including giants such as Google and Facebook, use gamification in their hiring procedures to offer coding challenges. If the company is not a technical giant, the easiest way to include gamification in recruitment is to give candidates puzzles or tasks to solve instead of standard skill tests.<sup>15</sup>

Deloitte (Ukraine) arranges a quest tour of the office for potential candidates to acquaint them with the departments and areas of work. There is also an online business case Tax your brains, during which graduate students can try themselves as a tax consultant and consider or offer

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<sup>14</sup> (2018) Gamification in HR, Available at: <http://hrland.org/geymifikatsiya-v-hr/>

<sup>15</sup> (2020) HR Gamification: A Strategic Advantage, Available at: <https://engagedhr.com/hr-gamification-a-strategic-advantage/>

alternative tax models for Ukraine. An additional incentive helps beginners to adapt because they are motivated from the beginning to complete the probationary period.<sup>16</sup>

People absorb and store information when they are interested, so learning with gamification will help you do it effectively. It can replace endless PowerPoint presentations with independent, entertaining training, through which you can still convey messages. Large stores such as Walmart have had great success using gamification to train security personnel, a topic that falls under the category of "boring but extremely important".<sup>17</sup>

Simulation games are used in gamification. One of them, SICKO (Surgical Improvement of Clinical Knowledge Ops), was developed at Stanford. The player becomes a doctor who has to examine the patient and find out if he needs surgery. And the International Marriott Hotel Network has created the game "My Marriott Hotel", where candidates managed the hotel, bought the necessary equipment, served guests and more. If the quality of service is high, the player received the appropriate points. Prospective candidates in this way got an idea of the work.<sup>18</sup>

The TalentLMS study shows that 30% of employees would like to gamify corporate training for compliance with the position, 18% - training on products and services, 16% - training for the development of technical skills.<sup>19</sup>

In Ukraine, the importance of gamification, not surprisingly, is understood in state-owned companies. One example is the National Bank of Ukraine. Gamification is effective for training employees of all departments, said Olga Prokhorenko, Director of the NBU Personnel Department.

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<sup>16</sup> Pavlushenko, T. (2017) Everyone is playing! How gamification affects business, Available at: <https://biz.liga.net/hr/all/article/igrayut-vse-kak-geymifikatsiya-vliyaet-na-biznes>

<sup>17</sup> Ganzhela, I., Vasylchenko, M. (2019) MAIN WORLD HR-TRENDS IN 2019, Available at: <http://accordconsulting.com.ua/osnovni-svitovi-hr-trendiv-u-2019-rotsi/>

<sup>18</sup> Mikhailova, A. (2020) Gamification cases: how to attract in global companies, Available at: <https://hurma.work/blog/kejsi-z-gejmifikaczi%D1%97-yak-zaluchayut-u-svitovih-kompaniyah/>

<sup>19</sup> Zoe, E. (2018) Employees, motivation and games. The 2018 Gamification Survey is out!, Available at: <https://www.talentlms.com/blog/gamification-survey-results-2018/>

"We mainly use business games to train staff in soft skills training, aimed, for example, at team management skills, development of leadership skills, communication skills," said Prokhorenko.<sup>16</sup>

Gamification minimizes the risk of making mistakes in real conditions: employees practice skills in the game, and therefore learn, search and, if necessary, find another, better strategy in real life.

Paper documents are often the last thing employees try to do. Therefore, gamification can be used to encourage operational efficiency by offering rewards for timely completion.<sup>11</sup>

Team play is also an important area of gamification. Thus, the level of communicative relations between employees improves, the leadership abilities of certain team members are observed, the level of conflict and misunderstanding in the team is reduced.

The use of gamification is also possible for the development of corporate culture, rewarding employees, for example, for participating in team volunteer programs of the company. You can also give employees points for following and meeting the core values of the organization. It is worth creating a reward system based on "points of culture" or "points of value" for the company.<sup>11</sup>

One of the most notable cases is the increased efficiency of employees at Haagen-Dazs with the help of the internal enterprise program HDScoops (Snap Learning game). Thanks to the application, customer service performance has increased by 10%. Work on improving the level of technology ownership, establishing business processes of integration of HR and IT departments are worth taking a leading position in the era of digital business transformations and the Employer Brand trend.<sup>11</sup>

Consider how Ukrainian companies implement gamification (Table 2).

**Table 2. Introduction of gamification by domestic enterprises**

Purpose of gamification	Name of the enterprise	Gamification measures
Motivation	Interpipe	Introduction of domestic hedgehog currency (result - an increase of KPI execution by 19%)
	MacPaw	Introduction of domestic currency "fix", for which you can buy a thing in special machine. Team lead gives each employee one "fix" per week, but there is an opportunity to earn much more. It is enough to do something very cool, fast, take the initiative or help a colleague
	Alpha Bank	Using the simulator "Alpha City", which motivates employees to sell more banking products, because their implementation allows the employee to get points that can be spent on the construction of buildings in the game or exchange for gifts



Purpose of gamification	Name of the enterprise	Gamification measures
Recruitment	Netpeak	Applying for a job as a computer game. Using a game with ratings "bring a friend and get a badge and extra points in the rating of the initiative". Employee participation in online gaming tournaments allows you to find talented workers.
Teaching	Ukrposhta	Application of strategy games in training: strategy Corporation, Supertanker, interactive game Tower of Power and board game Cash Flow. "By transferring the experience gained in the game simulator, it is easier for an employee to navigate in a real work environment and achieve business goals," said Lilia Malkova, Director of the Training and Evaluation Department of Ukrposhta.
Improving teamwork	Vodafone	Holding a corporate tournament Talents Brain Battle. 16 teams took part. The games allowed participants to try themselves as leaders of big business, develop and test business strategies. The criterion for winning was the index of investment attractiveness

Source: systematized on basis <sup>3 16 17 20</sup>

TalentLMS (USA) research clearly shows the benefits and importance of introducing gamification. 400 US employees were asked if they liked gamification or if they felt that it increased productivity. 80% of employees have a positive attitude to gamification at work. Most respondents believe that it makes them more productive (87%), busier (84%) and happier (82%) at work. Performing a boring task, employees were motivated mainly by internal motivational factors (43%) compared to external (38%). 75% of respondents who often play games are more likely to agree that they will be more productive if their work becomes more playful. Surprisingly, employees after 45 are more motivated by game elements than younger ones. The older people get, the less they want to spend their lives on boring work.<sup>19</sup>

### 3. Disadvantages of gamification

However, there are disadvantages of gamification. This can be seen in the examples of foreign companies. In May 2010, Google decided to celebrate the 30th anniversary of the game Pac-Man. A browser version of the game was built into the logo on the Google homepage. Employees around the

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<sup>20</sup> EXAMPLES OF GAMIFICATION IN HR: 5 SUCCESSFUL CASES, Available at: <https://peopleforce.io/ru/blog/primeri-gejmifikatsii-v-hr/>

world spent 4.8 million hours working on this game, resulting in a worldwide loss of \$ 120 million in productivity.<sup>3 21</sup>

There is also a problem when the focus of motivation shifts to external stimulation from internal motivation, which causes employees to feel manipulated and in control. The main methodologist of gamification K. Verbañh warns about this threat.<sup>7</sup> He notes that this occurs when the game concept is incorrectly applied: employees are forced to play, reward for little effort, link the results of the game with the career prospects of employees.<sup>3</sup>

Gamification does not involve coercion because it is a voluntary involvement. The task of the manager is to think over and find out what is the interest of the employees.

Many problems of unsuccessful gamification projects are connected with poor design, ill-considered conditions, lack of real reward for the winners. The game should be temporary because it can be boring, especially if nothing changes in it, and most importantly, the winners are the same. In addition, the concept of the game is associated with the possibility of temporary immersion in another reality, which can be interrupted at any time. It is worth remembering the age of employees - the game captures Generation Y (millennials), while the older generation it can cause outrage, not admiration.<sup>3</sup>

In Ukraine, gamification has started to work, as we can see from the above examples. These are mostly giant companies. Those organizations that are just planning to use gamification should first determine its purpose, namely, what should be improved with this method. This step is the most important. They must remember that gamification takes time and especially a certain budget. It needs smartphones, digital platforms for communication and information exchange and various gadgets.

Gamification is not a general solution, it can be successful or unsuccessful, so it should be combined with traditional methods.

## **Conclusions**

With the help of gamification, you can increase the efficiency of each employee, as well as unite the team. Using gamification, HR managers and their teams can create an interactive and positive work

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<sup>21</sup> Zinger, D. Game On: A Primer on Gamification for Managers, Available at: <https://www.td.org/magazines/td-magazine/game-on-a-primer-on-gamification-for-managers>

atmosphere in the company. This can help retain staff and reduce the outflow of talent, through the use of internal motivators of employees and the creation of a positive experience of interaction between the parties to the employment relationship. Further research should focus on gathering information on the application of gaming techniques in the HR practice of Ukrainian companies and further development of basic gamification tools.

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