WHITE**PAPER**

GAMES SMART BUSINESSES PLAY
FINDING THE SWEET SPOT IN LEARNING FOR TODAY'S MULTIGENERATIONAL WORKFORCE

With some of the greatest generational diversity in workplace history and an alarmingly high level of disengaged employees, organizations need to get in the game—literally. Increasingly, companies are "gamifying" their learning programs to engage a multigenerational workforce. But not just any games…

Mixing the fun and interactivity of games into serious learning design takes a road map. This report takes you on an expedition, starting with insights about the four generations who are at work, and sometimes at conflict, in today's businesses. In the second part, we investigate the "sweet spot" in games and learning—the latest thinking about what works when building interactive learning experiences that will resonate with learners across the generational spectrum.

START HERE:
PICTURE TODAY'S WORKFORCE
BY PARADIGM LEARNING

Did you ever play Pictionary? It's like playing charades on paper. One team member picks a card, grabs a marker and tries to draw whatever object, action or scenario they see on the card. Teammates energetically shout out guesses as the image emerges, competing to uncover the answer first.

Today, if a Pictionary player pulled a card that reads "21st century workplace," the sketch would look markedly different than a decade ago. One obvious difference would be the age ranges. Since the beginning of the new millennium, U.S. employers have seen some of the greatest generational diversity in workforce history.

The different age groups aren't the only striking differences that emerge when we draw a picture of the contemporary workplace. Workforce dynamics are remarkably different than they were even a few years ago.

A 2007 AARP report called Leading a Multigenerational Workforce described a hierarchical workplace divided by rank and status. Older employees filled executive positions, middle-aged employees held management jobs and the youngest worked on the front lines. In that era, people weren't likely to rub elbows on a daily basis with co-workers decades younger or older.
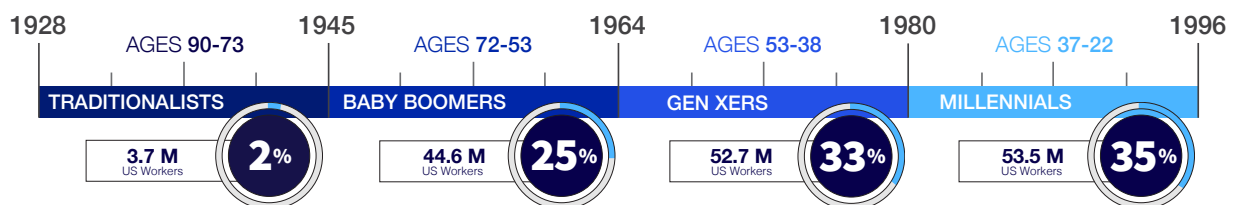
According to the AARP report, today's new workplace resembles a generational "melting pot." You see 20-year-olds working side by side with co-workers four or even five decades their senior. Traditionalists report to Gen Xers who are developing policies and strategies that will have an impact on colleagues old enough to be their grandparents. Meanwhile, Millennials are collaborating on—and often leading—project teams filled with Baby Boomers.

It doesn't take a crystal ball to see into the future. Traditionalists' days in the workplace are numbered. Baby Boomers will remain in leadership positions for the next 10 to 20 years. But when those who are postponing retirement right now—largely for financial reasons—exit the workforce, companies will count on Gen Xers and Millennials to step forward and lead. Are they prepared?
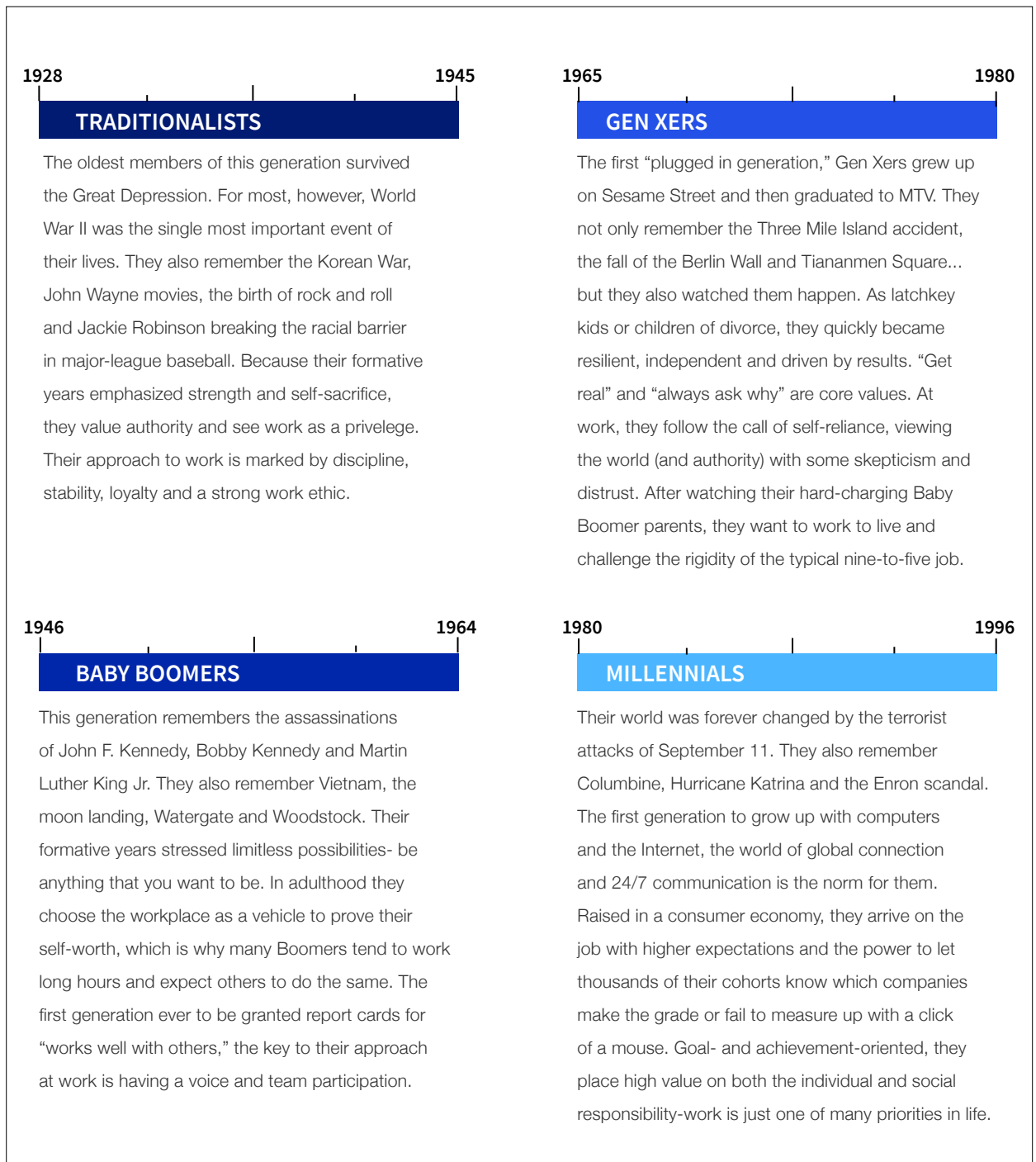
GENERATIONAL DIVERSITY IN PLAY…AND IN CONFLICT

English social commentator J.B. Priestly once said, "There was no respect for youth when I was young, and now that I am old, there is no respect for age—I missed it coming and going."

While many age-based profiles may be anecdotal or opinion masquerading as fact, human capital experts know that what generations experienced

1928		1945		1964		1980		1996
	AGES **90-73**		AGES **72-53**		AGES **53-38**		AGES **37-22**	
TRADITIONALISTS		**BABY BOOMERS**		**GEN XERS**		**MILLENNIALS**		
3.7 M US Workers	**2%**	**44.6 M** US Workers	**25%**	**52.7 M** US Workers	**33%**	**53.5 M** US Workers	**35%**	

GENERATIONS

These composite profiles describing the four generations in the workforce give a glimpse of their divergent experiences, working styles and motivations.

1928   **1945**

TRADITIONALISTS

The oldest members of this generation survived the Great Depression. For most, however, World War II was the single most important event of their lives. They also remember the Korean War, John Wayne movies, the birth of rock and roll and Jackie Robinson breaking the racial barrier in major-league baseball. Because their formative years emphasized strength and self-sacrifice, they value authority and see work as a privelege. Their approach to work is marked by discipline, stability, loyalty and a strong work ethic.

1965   **1980**

GEN XERS

The first "plugged in generation," Gen Xers grew up on Sesame Street and then graduated to MTV. They not only remember the Three Mile Island accident, the fall of the Berlin Wall and Tiananmen Square... but they also watched them happen. As latchkey kids or children of divorce, they quickly became resilient, independent and driven by results. "Get real" and "always ask why" are core values. At work, they follow the call of self-reliance, viewing the world (and authority) with some skepticism and distrust. After watching their hard-charging Baby Boomer parents, they want to work to live and challenge the rigidity of the typical nine-to-five job.

1946   **1964**

BABY BOOMERS

This generation remembers the assassinations of John F. Kennedy, Bobby Kennedy and Martin Luther King Jr. They also remember Vietnam, the moon landing, Watergate and Woodstock. Their formative years stressed limitless possibilities- be anything that you want to be. In adulthood they choose the workplace as a vehicle to prove their self-worth, which is why many Boomers tend to work long hours and expect others to do the same. The first generation ever to be granted report cards for "works well with others," the key to their approach at work is having a voice and team participation.

1980   **1996**

MILLENNIALS

Their world was forever changed by the terrorist attacks of September 11. They also remember Columbine, Hurricane Katrina and the Enron scandal. The first generation to grow up with computers and the Internet, the world of global connection and 24/7 communication is the norm for them. Raised in a consumer economy, they arrive on the job with higher expectations and the power to let thousands of their cohorts know which companies make the grade or fail to measure up with a click of a mouse. Goal- and achievement-oriented, they place high value on both the individual and social responsibility-work is just one of many priorities in life.
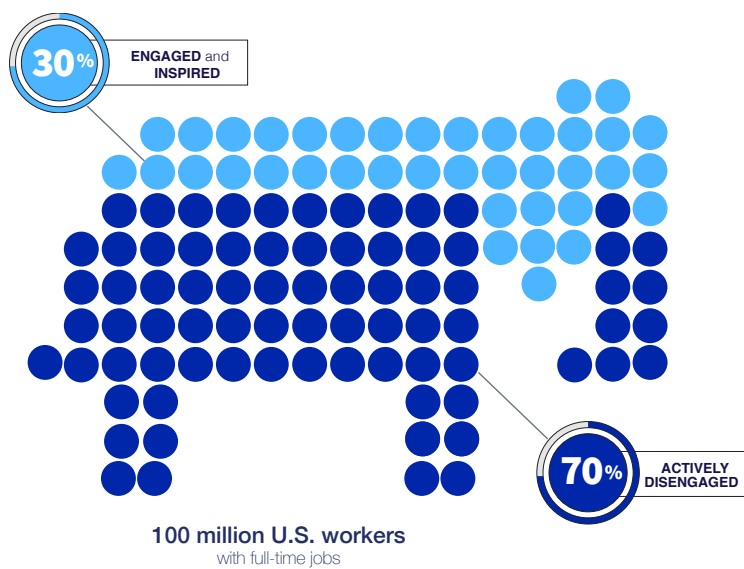
in their formative years does influence the way they see and act in the world of work. These deeply rooted generational differences can breed frustration, conflict and poor morale—serious issues that affect the success of the organization. As early as 2005, before millions of Millennials arrived in the workforce, a survey by Lee Hecht Harrison showed more than 60 percent of employers were dealing with intergenerational conflicts. Today's human resources leaders face intensifying pressures to engage and align employees with diverse world views and values.

Employers who are savvy about generational differences—divergent histories, values, perspectives and work ethics—can avoid conflicts, maintain productivity and capitalize on the knowledge, experience, and creativity of all employees.

But first, there's the "engagement elephant" in the room:

LACK OF ENGAGEMENT | $450+ Billion LOST a Year

30% ENGAGED and INSPIRED

70% ACTIVELY DISENGAGED

100 million U.S. workers
with full-time jobs

LACK OF ENGAGEMENT= BILLIONS LOST

Employees who bring discretionary energy and passion to the workplace are a critical asset in today's hypercompetitive business environment. As important as it is for workers to do their jobs well, their level of engagement is what really makes it possible for the organization to succeed.

Only actively engaged employees contribute the creativity, optimism, belief and innovation that keep businesses strong and competitive.

Let's return for a moment to our game of Pictionary. If we take another look at the image of the contemporary workforce, we'd notice another detail: The vast majority of the people in the 21st-century workforce don't look too excited about being at work.

Forbes contributor Larry Myler summed up the bleak state of employee motivation with this quote from the late comedian George Carlin: "Most people work just hard enough not to get fired and get paid just enough money not to quit."

Joking aside, the statistics back him up. Of the approximately 100 million people in America who hold full-time jobs, only 30 million (30 percent) are engaged and inspired at work, according to the latest State of the American Workplace Report from Gallup. That means **70 percent** of U.S. employees are either "not engaged" or "actively disengaged" on the job. The cost to the U.S. is estimated at **$450-$550 billion annually**. It's no wonder companies are focused on ways to recalibrate their learning and development strategies.

HIGHER PROFITABILITY

22%

HIGHER PRODUCTIVITY

21%

HIGHER CUSTOMER METRICS

10%

37%

LOWER ABSENTEEISM

48%

FEWER SAFETY ACCIDENTS

41%

FEWER QUALITY INCIDENTS
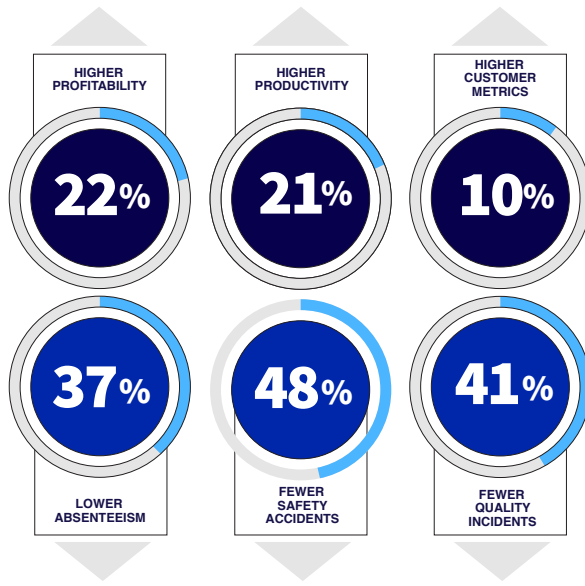
THE RETURN ON ENGAGEMENT

Researchers studying return on engagement have identified many tangible benefits associated with high levels of engagement. According to Gallup, business units that rank in the top 25 percent of their organizations for employee engagement showed impressive outcomes:

Engagement levels also affect retention; companies that engage their talent minimize the chances of costly turnover. A 2012 Towers-Watson study of 32,000 global workers, for example, found that just one in five workers with the highest scores on the survey's "sustainable engagement" scale were likely to leave their job over the next two years. The number jumped to two in five for workers with lower scores.

Generally, employees at the beginning or end of their careers tend to be more engaged than those in the middle. Traditionalists have the highest level of engagement at 41 percent, followed by 33 percent for Millennials. Of those in Gen X, 28 percent are engaged, compared with 26 percent of Baby Boomers. This generation also claims the highest level of active disengagement—nearly one in four—and they're the ones most likely to be in leadership positions. Not a good development!

Organizations concerned about motivation and turnover would be wise to consider these and other generational insights when developing their employee engagement strategies. And here's another key point: When it comes to rules of engagement, there is one key area in which the generations definitely converge—learning and development.

LEARNING THAT HITS THE GENERATIONAL SWEET SPOT

Ben Rosen, Ph.D., professor of organizational behavior for the Kenan Flagler Business School at the University of North Carolina at Chapel Hill, surveyed a cross-section of 5,400 employees to explore what they wanted most from their employers. His findings suggest that, despite cross-generational conflicts in some areas, the groups may have more in common than previously thought.

According to Rosen, Baby Boomers, Gen Xers and Millennials all share the same top five expectations of their employers:

1. To work on challenging projects
2. Competitive compensation
3. Opportunities for advancement, and chances to learn and grow in their jobs
4. To be fairly treated
5. Work-life balance

Item number three, "opportunities for advancement, and chances to learn and grow in their jobs," is

hardly surprising. Research from a variety of sources confirms that one of the best ways of keeping employees—and keeping them engaged— is to offer them training and career development. That much is clear. For learning professionals, the bigger challenge is developing learning strategies that meet the diverse learning styles and technology preferences of today's multigenerational workforce.
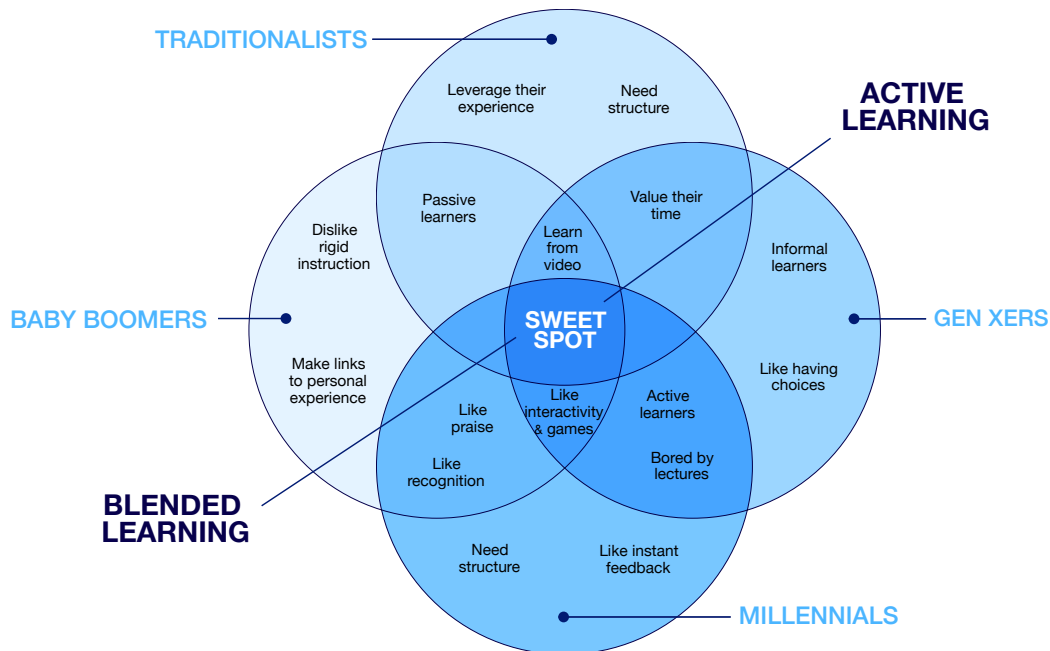
Let's start with blended learning, which encompasses these characteristics:

- Includes a variety of learning or instructional methods (lecture, discussion, guided practice, reading, games, case study, simulation)

- Uses different delivery platforms (live classroom and/or computer or digitally based)

- Accommodates synchronous or asynchronous forms of learning

- Integrates different levels of guidance (individual, instructor or expert led, group/social learning)

Blended learning is increasingly popular because it offers learning professionals a more varied "palette" of learning tools from which to build a learning approach. It also has the potential to save time and money while engaging learners in a more effective learning experience than traditional facilitator-led training.

The second key area of overlap in the multigenerational sweet spot goes by a variety of names: active learning, action learning, experiential learning and discovery learning.

Paradigm Learning uses the term discovery learning when describing situations where learners explore new ideas, exercise new thinking, demonstrate new behaviors, and solve problems relevant to their positions and the work they do.

Both the diversity of learning styles and the search for this sweet spot are spurring HR professionals to look beyond traditional training to find flexible, differentiated, innovative and experiential development that resonates with all ages.

Increasingly, they are incorporating games in their learning approach to engage a cross-generational workforce—but not just any games. When skillfully incorporated into an effective learning design, games are a powerful way to deliver information, build skills, facilitate collaboration and teamwork, and accelerate learning and retention.

LEVERAGING GAME-BASED LEARNING TO DRIVE BUSINESS SUCCESS

Incorporating games in learning isn't new. (In fact, Paradigm Learning pioneered the adoption of games in learning in the early 1990s.) The term "gamification" is a more recent development that started attracting widespread attention around 2010. That's when more and more companies recognized the potential of harnessing games in learning to serve a variety of business goals. The Gartner Group predicted that by 2014, more than two-thirds (70 percent) of the Forbes Global 2000 will have "gamified" their learning to attract, develop and retain talent.

BUT FIRST, WHAT IS GAMIFICATION ANYWAY?

Gamification is really a new label for a proven concept: To make nongame activities more fun and engaging, you make them more like games. In practice, that idea can mean a lot of different things. Organizations are applying games to a range of real-world applications, including marketing, call center management, consumer loyalty programs and, most recently, learning and development.

Gamification is not about turning everything into a game. It's about incorporating game mechanics in non-game contexts to engage people—and achieve real business results. At Paradigm Learning, we know that effective discovery-based learning games:

- Are learner-driven, not instructor-led

- Promote team learning with guided discussions

- Make complex topics more interesting and easier to understand

- Allow participants to paint themselves into the bigger picture

- Are fast-paced and energizing

- Create a safe environment for trying out new ideas and practices

- Present competitive opportunities that help keep people interested and focused

- Mimic realistic situations, but not so closely as to distract

- Increase "fluid intelligence," the ability to problem solve in new and interesting ways

- Offer people a way to gain mastery over something they care about—one of the most powerful human drivers

- Accelerate learning and on-the-job application

Fundamentally, games work because they are fun. While the concept of having fun may seem trivial or superficial in a business context, it is a vital principle when it comes to learning. Fun helps people experience something through a different prism, in a way that is interesting, engaging, motivating and appealing.

[gam·i·fi·ca·tion]: Is the use of game thinking and game mechanics in non-game contexts to engage users in solving problems. Gamification is used in applications and processes to improve user engagement, return on investment, data quality, timeliness and learning. –Wikipedia

> ### *IT IS HOW YOU PLAY THE GAME*
> Several universal game design principles apply—and appeal—across the
> board and across the generations for everything from simple card games
> to multiplayer online games. People like games because they have:

- RULES: Simple—recognizable as to what players are allowed and not allowed to do

- GOALS: Clear and easily identifiable—desirable objectives that bring home the point of training

- TASKS: Challenging but achievable— give players a sense of progress

- STORIES: Engaging—players can relate to and influence to some degree

- INTERACTION: Competitive— matching wits, with team players

- FEEDBACK: Clear feedback— reinforces whether players had a negative or positive effect on goals

- FUN: If it's not fun—people won't play and learn

CLASSROOM, ONLINE OR BOTH?

The universal appeal of games is not dependent on technology or digital media. Great game-based experiences can be digitally based, of course. But they also take the form of board games, simulations and hybrids that combine traditional game-play with technology.

In other words, games don't have to beep, buzz or be expensive to be effective. And that's true or all ages, despite prevailing stereotypes about the younger "plugged in" generations. Right now,

for example, we're seeing a surge in popularity for traditional board and card games among Millennials—from classics such as Risk and Scrabble to newer games such as Magic the Gathering, Cards against Humanity and The Settlers of Catan. Bingo is even trendy again in coffeehouses and clubs catering to 20-somethings who like both the tactile and social aspects of these kinds of games.

By the same token, older generations aren't exactly retreating from technology. Even counting the millions of school-age children who spend hours a day with game controllers in hand, the average video gamer's age is 33 years.

Technology journalist Larry Magid likes to point out that Bill Gates, Steve Wozniak and the late Steve Jobs are all tech-savvy Baby Boomers, and this generation actually dominates the market in terms of money spent on technology. According to Patricia McDonough, senior VP analyst at Nielsen Co., "It's actually a myth that Baby Boomers aren't into technology. They represent 25 percent of the population, but they consume 40 percent [in total dollars spent] of it."

Though they may not be the earliest adopters, Boomers are almost as likely as Gen Xers and Millennials to own the latest computer, access the internet daily, and use mobile phones, digital cameras and GPS systems—and play the latest and greatest mobile game while they wait in traffic.

THE ONE-TWO PUNCH OF LEARNING BY DISCOVERY

The real boon for learning and development (L&D) professionals comes from combining the appeal of games and technology with the dynamics of discovery learning. It's a one-two punch with amazing transformative power. When you infuse well-designed games and gaming elements into discovery learning, the learner experience is a potent departure from traditional models (listening to a lecture, watching a PowerPoint, reading) that are passive and linear.

Participants do not only have fun. They also become immersed in the discovery learning process and engaged on a deeper level. Not surprisingly, interactive learning experiences, whether in the classroom or online, boost training success: Experts generally agree that games and simulations boost learning retention rates significantly. An often-cited study by the NTL Institute says learners retain just about 5 percent of learning from a lecture, compared to about 75 percent when they are actively involved in their learning experience.

In a recent Training Magazine article, Steve Sims, vice president of production and professional services for Badgeville, a pioneering gamification platform, supports the view that game elements are good for learning: "One way to strengthen knowledge retention and encourage a higher level of learner engagement is to gamify the experience. A little friendly competition goes a long way toward ratcheting up the attention and knowledge-retention span."

GAMES + A DISCOVERY-BASED LEARNING APPROACH = A HIGH-OCTANE BLEND

Whether classroom-based or technology-infused, the most effective gaming experiences plunge participants into realistic scenarios where they can progressively overcome obstacles, make complex decisions and work toward a common goal.

Unlike pure game play, business simulations don't focus solely on entertainment or winning. Instead they stress the mastery of complex, real-life situations and goals that organizations attempt to achieve every day. Sophisticated business simulations provide opportunities for action and reflection, and they present a range of decision possibilities. They allow participants to visualize and experience the results of manipulating variables in a dynamic environment.

In a 2011 article from Chief Learning Officer magazine, Brian Klapper, president of management consultancy for The Klapper Institute, speaks to the power of simulations: "An effective simulation can be better than experience as a learning tool because it accelerates time, compresses space and… is specifically designed to maximize participant learning." He goes on to say what Paradigm Learning has known for many years: The ability to explore, experiment and repeatedly apply new knowledge in risk-free situations is what makes simulations one of the most productive forms of learning. In addition to hitting the sweet spot for active and experiential learning, simulations are proving especially effective for delivering training to generationally diverse learners—whether it's a

75% RETENTION from **INTERACTIVE LEARNING**

VS.

5% RETENTION from a **LECTURE**
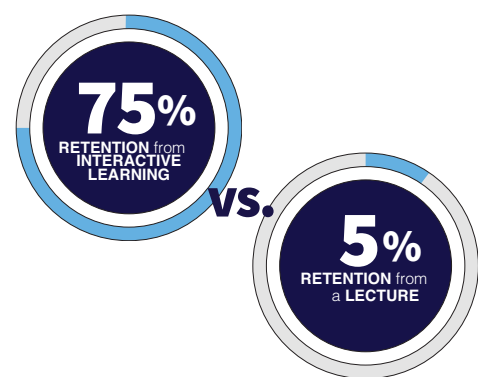
board game, technology-based or a blend. The realism and relevance built into well-designed business situations provide structure for Traditionalists and Baby Boomers to leverage their experience and wisdom. The fast pace, choices, immediate feedback, sense of purpose and opportunities for independent growth resonate with Gen X and Millennial learners. And the fun and competitive game-like learning environment appeals to all generations.

The team approach also levels the playing field, allowing everyone to contribute and use his/her strengths. Participants join together to solve a problem, make decisions and compete with other teams. The intensity of that engagement bonds people together—even those who might never have thought they had anything in common or to share.

EVERYBODY WINS: DEVELOPMENT, ENGAGEMENT AND BUSINESS SUCCESS

There is no denying the trend of gamification will continue to grow as a catalyst for companies looking to drive employee engagement, elicit the best effort from every generation and, of course, transfer knowledge.

Businesses that want to dominate must learn the rules of engagement and what each generation wants and needs to be successful. Then they have to rewrite their traditional workforce development playbook and provide the kind of

innovative training diverse learners demand—involving, interactive, competitive learning that not only educates but also keeps them engaged and excited about their work and their part in the company's success.

SMART GAMES ARE SMART BUSINESS

A global beverage brand sought an innovative engagement strategy as part of their development initiatives for high-potential leaders. Their solution? Partner with Paradigm Learning to develop a fully custom online leadership game that reflects the company's unique culture, global strategies and leadership practices. The fast-paced digitally infused game serves as a capstone to one of the company's multiday leadership programs. In teams of three or four, participants gather around a laptop and progress through a series of realistic scenarios that challenge them to practice their new leadership and critical-thinking skills in a safe, rewarding environment. The live game format encourages friendly team competition, which adds to the fun and effectiveness of the learning experience. Based on the wildly enthusiastic response, the company has other "next generation" leadership games on the drawing board for development.

LEARN MORE   CONTACT US

PARADIGM
LEARNING

Since 1994, we have specialized in business acumen training to develop a business-savvy, mission-focused workforce. With an alumni population of almost 2 million participants, our unique and innovative business acumen solutions have reached leaders and team members around the world and across every industry. We leverage immersive classroom-based simulations, developed with gaming elements that drive participants to understand sophisticated business concepts, leadership skills, and financial terms in an exciting and unforgettable way. We have worked with some of the biggest and best organizations in world to foster an ownership mindset and decision-making prowess in their employees through experiential learning.