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Metrics for **Motivation**

DIGITAL SIGNAGE WHITE PAPER



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Introduction

In an increasingly varied and competitive world, companies and organizations of employee performance. But what exactly does that mean, and how do you do it?

In the past, it was fairly straightforward – an employee was hired to do a set specific tasks, and when they performed them well (meeting target numbers within certain time frames, increasing revenue or efficiencies), they received pay raises, financial bonuses, and promotion to a higher level within the organization (with an increase in salary and perks to reflect the added responsibilities of the new position). After decades of work within the company, rising higher and higher, getting more money, bigger offices, etc. They retired with a good benefits package, approbation from superiors, and a gold watch.

This worked fine in the era of hierarchical organizations with a main focus on product. But as more companies began to diversify, offering multiple products and services across several categories and markets, new performance systems were adopted. Technology bloomed in the 1990s, and today's workers live in a very different style than their predecessors did. They all have mobile computing devices, and are used to receiving information of all kinds from a variety of sources.

The new generation of employees have grown up in this world, and have some very different ideas of what is valuable to them. Money and promotion are no longer enough – as more and more companies try out different office configurations, perks and other non-monetary rewards, they must find innovative ways to motivate their workers on the floor and in the office on a daily basis.

If people don't feel fulfilled at work, they will leave to seek that fulfillment elsewhere, regardless of financial incentives or how big that corner office is. In a world where companies offer things like flexible working hours, on-site daycare, relaxation lounges, shared workspaces, on-site chefs and seminars, the old motivations just aren't enough anymore.

But one thing is as true now as it has always been – people like to know how they are doing. And companies can use the power of modern-day technology to make everyone who works for them feel like a stakeholder, like they have "skin in the game". And the single greatest tool at an organization's disposal for reaching the largest number of people in the shortest time is their digital signage system.

Motivation Matters

Motivation and engagement are intangible concepts, and might seem difficult to measure or quantify. Yet in 2014, Willis Towers Watson published their Global Workforce study, with responses from 32,000 employees in 26 markets. What they found is that workers today want their employers to understand and meet their needs in the same way those companies understand their customers they want a customer-like experience.

WHY MOTIVATION MATTERS

- 67% of US workers are not engaged at work
- 71% of Millennials are not engaged at work
- 16% of US workers are actively disengaged
- 51% of US employees are either searching for new jobs or keeping an eye out for openings elsewhere
- 60% of Millennials are either searching for new jobs or keeping an eye out for openings elsewhere
- 93% of Millennials have left an employer for another role in a different company

Gallup also tracks employee engagement, and finds that 67% of US workers are not engaged at work, with 16% actively disengaged (and 71% of Millennials are not engaged – the same number as state and local government employees). This affects everything from productivity to employee turnover (51% of US employees are either searching for new jobs or keeping an eye out for openings elsewhere – when looking at Millennials that goes up to 60%). 93% of Millennials have left an employer for another role in a different company. This all paints a pretty bleak picture, if you consider employee engagement to be important.

And you should. Companies that are ranked as “effective communicators” by their workers show a 47% higher return to shareholders overall, and top-quartile teams are 21% more profitable than bottom-quartile teams.

Engagement affects the bottom line in very real and measurable ways. According to Willis Towers Watson and Gallup, engaged workers are:

- 21% more productive, leading to 22% higher profitability
- Have up to 65% lower turnover
- Have 37% lower absenteeism
- Get 10% higher customer ratings
- Have 48% fewer safety incidents
- Have 41% fewer quality defects
- Show 28% less shrinkage

Some of being an “effective communicator” is having good feedback systems in place. Gallup finds that Millennials uniformly want routine feedback on job performance, but only 19% get it. For employees of all generations, only 2% of workers who are neglected by their managers are engaged at work. They also find that clear and accountable expectations and roles contribute to an engaged, high-performing workforce.

Two Types of Motivation

Self-Determination Theory, a macro theory developed by Edward L. Deci and Richard Ryan, examines the motivations behind why people make the choices they do, and looks at two types of engagement – extrinsic (from external factors) and intrinsic (coming from inside the employee).

The basic theory says that there are three innate human needs that, when met, lead to optimal function and growth:

- Competence – controlling outcomes and experiencing mastery of a set of tasks or skills
- Relatedness – interacting with and being connected to others, including the experience of caring for others
- Autonomy – being the causal agent in one’s own life, though still working with others

Extrinsic Motivations

Deci and Ryan developed organismic Integration Theory (OIT) to examine how external motivations regulate behavior, and have four types of motivations with different levels of autonomy:

1. Externally Regulated Behavior: Actions have an external reward or are to meet an external demand. The least autonomous motivation.

- Example: Brittany does a task because she’s paid to do it, or there’s a bonus for getting it done, or because her boss will give her a bad report if she doesn’t.

2. Introjected Regulation of Behavior: Following external requirements while not seeing them as your own, often because self-esteem is a factor. For example, the motivation is to show one’s self worth. While this is internally driven, the focus is on outside approval.

- Example: Brittany does a task because she wants others in her team/her boss to see that she’s good at her job and has something to contribute.

3. Regulation through Identification: Consciously valuing a goal or requirement so that achieving that goal or following that instruction is important to the person personally.

- Example: Brittany does a task because she thinks it's a worthwhile thing to do.

4. Integrated Regulation: The external requirement is fully assimilated into the individual's self-evaluations and personal beliefs. The most autonomous of the extrinsic motivations.

- Example: Brittany does a task because it is in line with how she views herself as a person. Doing the task is an extension of who she is.

OIT says that a person will more likely integrate externally motivated behaviors when there is a sense of relatedness. Internalizing external motivations also increases competence.

This is a more focused way of thinking about Maslow's Hierarchy of Needs, often depicted as a pyramid of five needs, and when a lower one is met, a person then has the bandwidth to focus on the next one. In reverse order, these needs are:

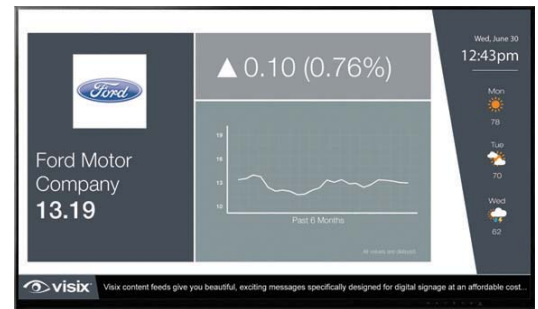
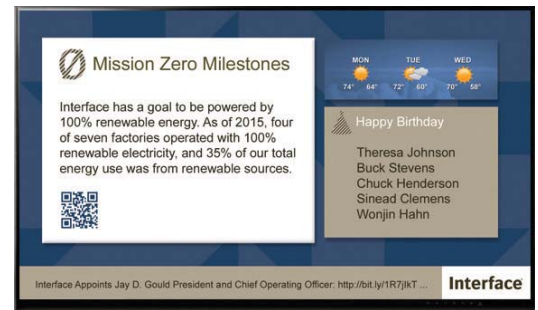
- **Physiological:** Things the body needs to survive – food, water, shelter
- **Safety:** Lack of danger in, and having a safety net for, various areas, such as personal, health and illness, and financial security
- **Love/Belonging:** Interpersonal needs of belonging, including friendship, intimacy and family
- **Esteem:** Respect and acclaim from others – status, recognition, fame, prestige and attention; as well as self-respect – strength, competence, mastery, confidence, independence and freedom
- **Self-Actualization:** Realizing one's full potential, becoming not only a significant force to one's self, but to others and the world around us

Intrinsic Motivations

This is the inherent drive to seek out things that are new and challenging, and that give us pleasure. Cognitive Evaluation Theory looks at how social and environmental factors affect intrinsic motivations – specifically focused on competence and autonomy.

Positive feedback and rewards can lead to feelings of competence, which enhance self-esteem, which further drive intrinsic motivations. When a person also feels in control, at least to some extent, their motivation is increased further. And when there is a sense of security and relatedness, intrinsic motivations flourish and continue to increase.

For a good deal of the 20th century, companies mainly focused on extrinsic motivations, like financial remuneration and rewards, promotion, and not getting fired. In recent decades, though, studies show that intrinsic motivations are stronger, self-sustaining and result in more engaged employees, with all the benefits that brings to an organization. And companies are taking that on board, to their advantage.



Performance Measurement

In the early 1990s, Robert S. Kaplan and David P. Norton adapted a system created by Art Schneiderman at Analog Devices, writing an influential paper and then a book about the Balanced Scorecard. This focuses on more than just financials to determine success or failure. The first version has a Four Perspective approach to deciding what measure to use:

- Financial – answering the question “How do we look to shareholders?”; including things like cash flow, sales growth, operating income, and return on equity
- Customer – answering the question “What is important to our customers and stakeholders?”; including things like percent of sale from new products, on time delivery, share in purchases by important customers, and how important customers rank the company
- Internal Business Processes – answering the question “What must we excel at?”; including cycle time, cost per unit, yield, and new product introductions and launches
- Learning and Growth – answering the question “How can we continue to improve, create value and innovate?”; including new product development timelines, life cycle to product maturity and/or obsolescence, and time to market compared with the competition

In the mid-90s, this was modified to include a series of strategic objectives plotted on a strategy map, enabling greater contextualization and making it easier for managers to use, but with far more medium-term strategic goals (up to 20).

In the late 90s, this evolved further to include a Vision Statement, or destination statement, which describes the organization at a point in the future, with categories such as financial and stakeholder expectations, customer and external relationships, processes and activities, and organization and culture. This, combined with the earlier strategy map and clear definitions of strategic objectives, as well as measurement metrics and targets, is known as the Third-Generation Balanced Scorecard.

This has been hugely influential on organizational cultures. In addition, concepts like Social Return on Investment (originally a way for non-profits and charitable organizations to measure their performance) and a shift from performance evaluation (which is time consuming and only happens once or twice a year) to Performance Measurement (which can happen much more frequently and take much less time), have changed the way many companies and organizations determine what they consider “success” to be. Even things that seem abstract and have nothing to do directly with money actually affect an organization’s bottom-line in very real ways.

Performance metrics today are used by project managers to assess the “health” of a project, using seven criteria:

1. Safety
2. Time
3. Cost
4. Resources
5. Scope
6. Quality
7. Actions

These metrics, linked with a corporate strategy, can be used to trigger specific performance-related actions, encourage improvement and increase effectiveness. If you consider having happy, engaged employees as a project, you can use more employee-centered performance metrics to foster a culture for workers that mimics their experience of the world as digital consumers. This creates more intrinsic motivation – another term for which is engagement. And engaged workers are happier, work harder, and make the company more money both in revenue and productivity, and in less waste and loss.

So the trick is to figure out what the employees need to know, or want to know, and get them that information in a fast, effective way that doesn’t take up too much time. And that’s where your digital signage comes in.

Metrics for Motivation

You have screens up in hallways, at elevator banks, in break rooms – everywhere your employees go. They’ve already become used to looking at your screens for announcements and information, so take advantage of that and display some information that will motivate them to get more engaged with your organization.

Key Performance Indicators (KPIs)

These are performance measurements that look at progress towards specific strategic goals or achieving various levels of operational targets. They define a set of values to be measured, then those values are fed into systems that summarize that information, where they become “indicators”. KPIs should always be SMART:

- Specific – the measurement has a specific purpose for the organization
- Measurable – able to be converted into numbers and compared with goals or past performance
- Achievable – something that individuals or teams can actually do in the time allotted
- Relevant – tied into the overall goals and success criteria of the organization
- Time-Targeted – the values cover a predefined and relevant time period

Because KPIs are linked to target values, it’s easy to see if expectations are being met or not. Choose something important to measure, find a way to measure it, and then display that on your screens for the target audience.

When employees see how the company is doing in an area that is relevant to their jobs, they feel included and create their own intrinsic motivations to do more to reach that goal.

Using your digital signage is much more effective and efficient than meetings and memos. Rather than send out emails to all inside sales people about the current status of sales quotas, display it on screens in a shared workspace or breakroom. They’ll see it faster and more often than an email (the average office worker receives over 100 emails a day), and every time they go get a cup of coffee, they’ll see it and think about it.

If you integrate your digital signage with a data collection system (an inventory system, etc.), your KPIs can be updated automatically by the software, with no need for a person to take time to enter the stats. You can also display data from Excel spreadsheets, or SharePoint and other online collaboration software.

And because the data is updated in real time, everyone always has the most current picture of how the organization, or their department, is performing. This also allows a quick response to a sudden downturn, allowing efficiencies to be increased and corrections made the moment something goes amiss.

You can promote positive behavior using KPIs. For example, you might display an energy dashboard with current electricity usage in the building, along with an optimal target. People will see the goal, see the current usage stats, and take action to meet the goal – turning off lights in unused rooms, putting computers in sleep mode, etc. They can immediately see the effects of their efforts right there on the screen, as energy usage goes down towards the target.



Good metrics also add to a positive work environment. They help create a common purpose, and remove the intimidation factor – instead of the boss gathering everyone together to give them the latest figures, it’s all up on the screens. Even though “the bosses” put the information up on screens, people feel like they “discovered” it themselves. This leads to a sense of ownership, boosting intrinsic motivations.

Examples of KPIs

Marketing/Sales

- Sales quotas and targets
- New customer acquisition
- Demographic analysis of potential customers
- Average profit margin
- Sales by contact method
- Sales by region
- Brand awareness
- Cost per lead

Human Resources

- Employee turnover
- Employee performance indicators
- Analysis of cross-team functionality
- Employee satisfaction
- Absenteeism (Bradford Factor)
- Revenue per employee
- Training return on investment

Finance

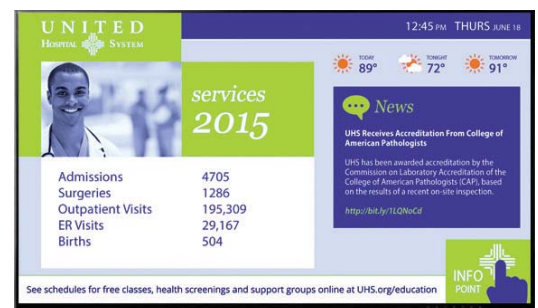
- Profit and loss report
- Accounts payable/receivable turnover
- Return on equity
- Net profit margin
- Current ratio
- Recent payments
- LOB revenue vs. target

Government

- Performance of educational institutions in the area
- Local business engagement
- Customer satisfaction ratings
- Public engagement for specific initiatives
- Time to complete forms processing

Healthcare

- ER wait times
- Patient census
- Average length of stay
- Staff Certifications
- Revenues for on-site services



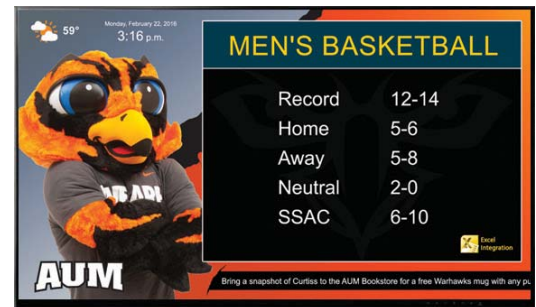
Hospitality

- Guest satisfaction
- Occupancy rates
- Meeting space revenues
- Concierge services
- Spa, restaurant and shop sales



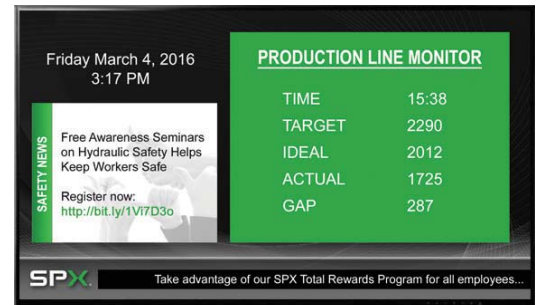
Schools & Colleges

- Test scores
- District or national rankings
- Skills and literacy levels
- Enrollment and graduates
- Athletics standings



Manufacturing

- Safety compliance
- Quality assurance
- Delivery time
- Cycle time and cycle time ratios
- Rejection rate/Rate of return
- Utilization
- Carry cost of inventory
- Order tracking



SEO

- Keyword rankings
- Organic search traffic
- Domain authority
- Online conversion rate
- Competitive comparison

Sustainability

- Carbon footprint
- Energy/water consumption
- Savings levels due to conservation efforts
- Waste recycling/reduction rate
- Supply chain miles

Developmental Goals

Because today's workforce is looking for more than just a paycheck, finding ways to encourage your workers to improve and grow is key to making them happy and satisfied. Training is often important, and you can do more than simply use your displays to advertise workshops, seminars and training packages.

Offer a special gift or perk for people who sign up by a certain date - you can use a QR tag or short URL to drive people to a dedicated webpage, or simply show a code they should use when filling in the application form. You can also get employees to suggest topics, or offer coaching services to their peers. If you have ongoing training available, use your screens to poll your workers to see which classes they'd like to take when. And after training activities, test their retention with quick quiz questions in your playlists.

Using interactive touchscreens and kiosks, you can even have training mini-modules right there on the screen. Have a quiz, and people who score below a certain number are then shown a short video to recap the information. Then they can take the quiz again. If you tie your interactive screens to your training system, the results can be updated automatically, and stored in your database for future reference.

Training doesn't have to be dull. Brainstorm ways to improve your employees' skills and knowledge that will make them more effective at their current jobs, or open the door to advancement. Get them interacting with your professional development program, and use your digital signage to start that process.

Employee Metrics

It's not uncommon for managers to ask employees to set their own developmental and task-related goals for a quarter or a year, so why not let them also set their own metrics? What data do they need on a regular basis to help them reach those goals? Are there necessary resources they need to track, as well as their own individual or team performance?

Employees want to feel included and empowered, and want to do a good job, so they will set realistic goals and measurements. Management can hone employee contributions by asking questions about how achievable the goals are, and make sure they consider various factors that could surprise them on the way to their targets.

Common wisdom says that we measure what we care about, but studies have actually shown that the converse is true – we care about what we measure. The more we focus on a measurement, the more important it becomes to us. Managers can work in tandem with staff to ensure that the focus is on the right things. And, because they have the larger picture in mind, managers can also make sure that all employees and teams have targets that are of similar difficulty, as well as in line with the organization's short-and long-term goals.

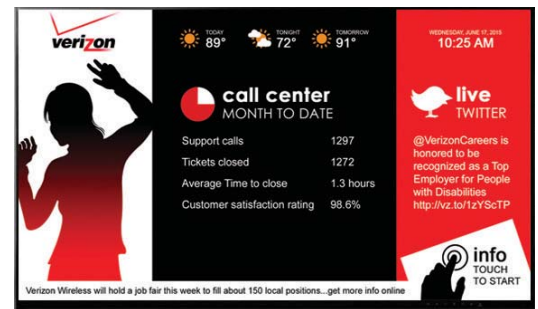
Recognition

Leverage your digital signage to recognize progress and success. Leaderboards in common areas, like hallways and cafeterias, let everyone see who's hitting their targets and who's exceeding them. This creates a fun competitive atmosphere, with no pressure coming down on them from the bosses – the information just appears on the screens. This isn't to say that face time is not also valuable. A quick pep talk or compliment from a manager can do wonders to boost an employee's sense of worth, but peer recognition is also a huge motivator.

And there are many things that can be measured and recognized – not just hitting targets, but things like attendance, helpfulness, efficiency, initiative and quality of day-to-day work can be quantified and celebrated on your displays.

Evaluation doesn't have to be just top-down either. The 360-Degree Feedback Method (also called multi-source assessment) is sometimes used in companies or departments where employees interact with one another frequently. Everyone the employee comes into regular contact with, from the managers to the receptionist, gives a little feedback on performance – fulfillment of duties, contributions to productivity, even attitude. This creates a large and varied data set that you can use to "award" recognition – someone seen as the friendliest, or the most helpful, or most original thinker, or the best at time management, or the most active on your organization's social networks, etc.

Everyone excels at something, and it means a lot to them if that gets noticed. More frequent micro-praise is more confidence boosting and more psychologically rewarding than just one end-of-year evaluation behind closed doors. It lets employees know that their effort and strengths are being noticed, are appreciated, are contributing to the organization.



Gamification

Gamification is one of the hot new buzzwords, and is being used by lots of companies to motivate and engage their workforce. This is using elements usually found in games – rules, scoring, achievements and competition, in non-game contexts. It's really just another way to use metrics – anything that can be measured through time can be gamified. You just need to have some clear rules that are in effect for a finite period of time, a way to measure progress, a way to display that progress, and rewards for "winners".

Gamification is being used in schools, technology companies, governmental agencies – every sector is finding a use for it. Marketers find that it helps customer retention and engagement. Businesses also find the same thing with their employees. Some big-name companies using dashboards have seen significant improvement in employee performance on even routine tasks. Brian Burke at Gartner, Inc. has even written a book about gamifying businesses.

The basics are simple:

1. Create your game – make sure it aligns with a goal
2. Advertise it on your digital signs, along with instructions and rules
3. Show progress on screens using easy-to-read graphics and data visualizations
4. Recognize winners, along with what they've won, encouraging others to participate in future games

The incentives need to be tangible and attractive. Things like prize drawings, food trucks for a special department lunch, and discounts at local or on-site venues are all things people would like. Some companies create a progressive system, with winners receiving points they can accumulate over time that can eventually be traded in at a virtual "shop" for real-world prizes and rewards.

Gartner says that organizations that use gamification techniques have 250% more growth than those that don't. Aberdeen Group found that companies with good gamification solutions have 35% less employee turnover and a workforce that is 48% more engaged.

Health has been gamified in recent years thanks to devices and apps like the FitBit, Fitocracy, MyFitnessPal and Charity Miles where the goal is to reduce doctor visits by getting people to exercise more in a way that seems like fun – competing against friends for badges and bragging rights, getting corporate sponsors to donate money to charities, and even wagering on certain goals with apps like Pact (formerly Gympact).

When people are playing a game, they are fully engaged and even something that's work doesn't feel like it – it feels like something they want to do because they like doing it. This is the one of the strongest types of intrinsic motivation – management creates a gamified system, offers some nice rewards for success (however that's defined), and the workers do the rest completely on their own.

If you're already gathering metrics to inspire your employees, it's a simple matter to gamify them as well. You've got your KPIs – now gamify them:

- Display information as visually as possible. Pie charts, bar graphs, funnel graphs and so on are a much more engaging way to present info than a boring list of bullets. Data visualizations also make seeing and understanding the information faster and easier – perfect for an audience that is walking past your displays on their way to somewhere else.
- Show progress towards goals to keep people in the loop on how the organization or department is doing, and encourage them to keep at it until the goal is met. Integrate with your databases to make sure the information is accurate and reflects real-time progress.
- Present current trends on your screens. This gives the feeling of low-stakes competition with others in the same industry. Show how you stack up in Inc500 rankings, ratings and reviews, award tallies, press coverage, and so on.

- Raise those stakes and have actual competitions. Individuals or departments can compete against one another toward similar goals. Winners get points or badges, or some other sort of reward that can eventually be cashed in for tangible, real-world prizes (gift cards, pizza parties, extra PTO, Friday casual dress, etc.) This also creates breakroom buzz (the modern equivalent of water cooler talk) as people compare where they are in the current standings.
- Get your staff to use and promote your own products. This is known as dogfooding. One way is to give points to people who promote things on social media using a dedicated hashtag you create just for this purpose. People can then turn in those points at a reward store for prizes like gift certificates, free lunches, travel vouchers and more.
- Encourage microlearning and reinforce training with quick quizzes on your screens. Provide a simple system for people to answer the question (QR tags or short URLs to take people to dedicated webpages is one way, or you could have them email or SMS answers). Then have a reward of some kind for those who answer correctly (or answer a certain number correctly), like being entered in a raffle, or a chance to play a slot machine game.
- Interactive screens and kiosks are ideal for gamification techniques. In the case of quiz questions that reinforce training or safety measures, people who answer incorrectly can immediately be shown a short refresher message or video, and a chance to try the quiz again later. This motivates them to learn what they need to, because there's a possible prize at the end of the process.
- Celebrate success. When someone wins, show it on all your screens, as well as through social media, intranets and other outlets. People will see this and want that sort of public congratulations, so they'll participate more.

Gamified systems use things like points, badges and leaderboards to measure participation and progress automatically, so you can immediately see how much people are responding to your system, for some instant ROI.

Rewards don't have to be directly tied to the theme of the game. You know what you want your audience to focus on, but aim to please with your prizes. If it turns out you have a lot of coffee drinkers, then make the reward a Starbucks gift card or something similar, even if your game is an on-site safety quiz that has nothing to do with coffee. People will want to win if they have a chance to get something they like, and they can only win if they play.

One of the tricks is to always make gamified solutions voluntary. As early adopters talk about how much fun it is to participate, more people will come on board. People play games because they are fun, not because they are told to play them. Word of mouth may (whether face-to-face or on social media) be your strongest advertisement for gamification, especially with Millennials, who are used to sharing with friends.

And change it up often – a particular game shouldn't run more than a week, two at the outside. Besides, the more different games and types of games available to your audience, the more people will have a chance to win, which increases participation.

Since digital signage is unparalleled for grabbing people's attention, it's the perfect place to advertise your games and rewards. Make sure you have good, high-quality visuals that are enticing. If it's a voucher for lunch at a nearby Mexican restaurant, show a colorful picture of a delicious burrito with all the fixings, not a washed out image or a scanned newspaper ad.

A few tips for creating gamified solutions:

- Think about the goal. Make sure it's something specific and tangible. "Be green" is too vague – make it something like "recycle 75% of all paper this week".
- Give points for each task that needs to be finished. This allows progress to be measured and gives you immediate ROI. It also gives you data to display as incentive along the way.
- Have clearly defined rewards, so people know what they get if they succeed. And make prizes popular things that people can use.

- Don't delay rewards. Hand out the prize as soon as possible once a game ends. If you dally, people won't feel satisfied and may not participate in future contests.
- If there are repetitive tasks involved, create a level system that shows progress. Unlock rewards and bonuses for people who reach certain levels.
- Make sure that your gamified tasks aren't too easy, but also not too hard. Always think of your audience, and experiment, evaluate and adjust.
- Make it easy for people to participate – either by pressing buttons right there on an interactive screen, or using their mobile device to go to a webpage, send a text, or snap a photo.

With a little gamification, you can transform your digital signage from something that just pushes information out to your audience into something that encourages them to interact with your organization and specific goals in real, measurable ways.

Conclusion

Employees want more openness and transparency, and management wants to find as many ways as possible to further their organization's goals. The new generation of workers has grown up with instant access to information, and they want the same sort of access to information that they have in their private lives at work.

Transparency is highly valued by today's workforce. Companies that don't share information are seen as inefficient at best, and as having something to hide at worst. The days of managers-in-the-know directing worker-drones are gone. Today, everyone wants to have access to information, and feel like they have a stake in things.

The answer to all this is metrics. A comprehensive plan involves figuring out what needs to be measured, gathering the data, assembling that data and presenting it to your workforce to show progress toward goals. If you can gamify the information to encourage specific behavior and get your employees engaged in a meaningful way, then you'll really have a modern workplace. Your workforce will be happier and more productive, feel more fulfilled, and stay with your company longer.

GAMIFICATION TIPS

- Focus on the goal
- Publish clear rules and instructions
- Make it simple for people to participate
- Offer great prizes
- Generate buzz
- Show progress on your digital signs
- Reward levels of achievement
- Don't make it too easy OR too difficult
- Don't delay rewards

Want to learn more? Contact us at salesteam@visix.com.