MANAGERS TURN TO COMPUTER GAMES, AIMING FOR MORE EFFICIENT EMPLOYEES

By CONOR DOUGHERTY and QUENTIN HARDY   MARCH 15, 2015

SAN FRANCISCO — A few days before he testified in a sex discrimination lawsuit that has captivated Silicon Valley, John Doerr, arguably the most famous venture capitalist in the world, was sitting at a conference room table laying out his ideas on good management.

The subject was not the trial, in which a former junior partner of Mr. Doerr’s firm, Kleiner Perkins Caufield & Byers, has claimed gender discrimination. Instead, it was BetterWorks, a company in Palo Alto, Calif., that has raised about $15.5 million in venture capital from investors, including Mr. Doerr.

BetterWorks makes office software that blends aspects of social media, fitness tracking and video games into a system meant to keep employees more engaged with their work and one another. With the software, employees and their bosses set long- and short-term goals, and, over time, log their progress on a digital dashboard that everyone in their company can see and comment on.

A critic might describe it as a happy, white-collar spin on an old idea — workplace efficiency — that used to be performed by punch clocks and assembly lines. But Mr. Doerr, who has instilled similar concepts in many of the tech companies he has invested in, is betting that the same ideas will be adopted far beyond Silicon Valley.

“I think we’re going to see more and more systems in this field of quantified work, or people science, that are going to make the most valuable resource that we have — which is our team — more effective,” Mr. Doerr said in an interview in his firm’s San Francisco satellite office.

Mr. Doerr’s public involvement is no doubt a benefit, and his belief in BetterWorks is underscored by his willingness to give media interviews while his
firm is being scrutinized in a courtroom. Public relations handlers made it clear that Mr. Doerr would not talk about the lawsuit during his BetterWorks publicity campaign.

Silicon Valley companies are known for casual work clothes and generous employee perks like free lunches and laundry, but they share corporate America’s affinity for dogmatic processes and mind-numbing acronyms. The Valley’s tech companies excel at turning those dreary processes into something useful.

Mr. Doerr has long been a proselytizer of a Silicon Valley-style management system called “O.K.R.,” which stands for “objectives and key results.” The idea, which was created at Intel, where Mr. Doerr began his career, is to have workers create specific, measurable goals and to track their progress in an open system that anyone in the company can see.

“The big picture is how to make all this stuff more data-driven,” said Kris Duggan, the chief executive of BetterWorks.

Mr. Duggan founded Badgeville, whose software turns work tasks into badges and a leader board in an effort to add elements of games to work. His new company blends that game-playing sensibility with hard-core metrics.

Using BetterWorks software, workers set goals, like “Sign 10 new customers by May,” and enter them into an internal system that can be viewed by other employees — it looks almost identical to the dashboard function used by Fitbit fitness trackers. Co-workers can give each other encouragement (“cheers”) or shaming (“nudges”). A worker’s profile shows a digital tree that grows with accomplishments and shrivels with poor productivity.

The impulse to find ways to make people work harder is hardly new. Henry Ford used teams of investigators to keep tabs on his workers to determine things like which ones drank too much. Factories and other blue-collar employers have a longstanding tradition of cajoling their people to compete with one another so that, through a combination peer pressure and ambition, they do more work.

Karen Levy, a fellow at the Data and Society Research Institute, a research firm in New York, recently completed a three-year study on performance tracking in a decidedly old-line business: trucking. Over the last two decades, the industry has used GPS and other technologies to measure how fast drivers are going and how suddenly they brake, with the goal of getting goods delivered quickly but not so quickly that drivers waste gas.
To make drivers more efficient, companies post scoreboards in the break rooms or mail bonus checks to spouses so that they get competitive pressure from home as well as work.

One of the main ways people become more productive on the job is by using their supposed downtime to do even more work. Many drivers did things like loading, unloading and inspecting their trucks during federally required breaks, Ms. Levy said.

“If you distract workers with the idea that they are playing the game, they don’t challenge the rules of the game,” she said.

Companies like BetterWorks — Workday, Workboard or SuccessFactors also make goal-setting software — are importing similar concepts to office jobs where performance has historically been more subjective.

BetterWorks, which was founded in late 2013, started out selling to nearby tech companies, but it has since added a broader range of customers, such as Viacom and the Department of Health and Human Services.

Bluenose, a software start-up in San Francisco, uses the BetterWorks software to track employee goals on a digital dashboard that everyone at the company can see. One employee, Marin Perez, said he did not have an issue with that public scrutiny. He tends to be reserved, he said, so he likes that his accomplishments are made public without him having to do things like send self-congratulatory emails.

“Like it’s rock-solid in the numbers,” he said of his completed goals.

BetterWorks charges a monthly $15 fee for each user and has “seven figures” in revenue, according to Mr. Duggan. The software is cloud-based, allowing employees to use it across various devices. It even has an application for the new Apple Watch, on which he said the company was still testing ideas.

“What if you could like cheer and nudge people and kind of get this social reinforcement going on?” he asked. “Or what if you were like near somebody that you’re working with on a goal, and it buzzes.”

Mr. Duggan also has big plans for growth. In a recent meeting, he showed off one of his own goals: to hire 50 workers by the end of the year, which would double the company’s current head count.

But what if too much measurement makes people sad? That question is at the heart of another start-up, Culture Amp, an Australian company that makes a sort of worker-polling system and recently raised $6.3 million from Felicis Ventures, a
venture capital firm in Palo Alto. Culture Amp’s product is essentially a set of continuous, anonymous surveys that lets companies know how their workers are feeling and rates them against other companies in the same industry.

That way they will know when everyone is about to quit.

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