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## Workplace gamification and loyalty dynamics in Gen Z and Y tourism workers

Aphisavadh Sirivadhanawaravachara <sup>1,2,\*</sup>

<sup>1</sup> Professor, Department of Hotel Hospitality and Tourism Management, Magadh University, India.

<sup>2</sup> Independent Scholar, Industry Professional, Thailand.

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### Abstract

This study looks at how gamifying the workplace and focusing on purpose-driven cultures shape employee loyalty, especially among Gen Z and Gen Y workers in tourism and hospitality. The researchers pulled together stories and feedback from 116 private tourism companies spread across seven Western European countries. They wanted to see what happens when companies use game-like performance systems—complete with goals, feedback, and rewards—and how these mesh with the expectations and values of younger generations.

The results are interesting. Gamification seems to boost engagement and motivation, especially for Gen Z, who've grown up in digital, interactive, and competitive spaces. But there's a flip side. For Gen Y, these systems can crank up the pressure, make everything super transparent, and, sometimes, fuel way too much competition. That leads some of them to think about quitting.

There's another important twist, though. When companies build a culture around purpose—connecting daily work to bigger social and personal meaning—they help steady the ship. This kind of culture eases the negative downsides of gamification and builds loyalty in both generations over time. The idea of a “purpose economy” pops up here, focusing on meaningful work, shared values, and a collective sense of mission as the real keys for getting people engaged.

So, the big takeaway is that gamification isn't one-size-fits-all. It can be a great motivator, but it only really works if it's rolled out thoughtfully and woven into a culture that cares about purpose. For anyone leading a tourism company, the message is clear: blend innovation in how you measure and motivate with a real sense of meaning, and you'll see loyalty stick around.

**Keywords:** Workplace Gamification; Employee Loyalty; Generation Z; Generation Y; Tourism Workforce; Purpose-Driven Organizations; Employee Engagement; Performance Management Systems; Digital Workplace; Organizational Culture; Motivation Dynamics; Hospitality Industry

### 1. Introduction

A new generation is shaking up how managers lead and supervise teams in an already tough marketplace. This long-term study dives into two big workplace trends: gamified performance systems and purpose-driven company cultures. Both approaches can build loyalty, but gamification sometimes has the opposite effect. By collecting qualitative data from every level of 116 private tourism companies across seven Western European countries, this research tracks the rise of Gen Z workers and explores exactly how companies are using gamified tools and purpose-first cultures to influence loyalty.

\* Corresponding author: Aphisavadh Sirivadhanawaravachara

Back in 2009, a UK government push led to the influential MacLeod “Engagement for Success” report. Since then, companies have noticed that Generation Y is the least engaged group in most workplaces, which is a real headache if your growth depends on younger staff who value self-determination above all. Gen Y loves things that are social, collaborative, and competitive, especially when gaming is involved. So, finding ways to motivate and engage this generation is a hot topic. Game design elements have become critical to modern business systems. But it’s worth noting that gamification isn’t the same as “serious games,” which are focused on education and training. Gamification doesn’t offer full game experience; instead, it adds game-like engagement to regular work tasks.

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## **2. Understanding Gamification**

Gamification basically means using game design elements in non-game settings to boost engagement and productivity. It’s been around since the early ‘80s when IBM and Lotus incorporated it into their software to get customer feedback. Now you’ll find it everywhere in business information systems—for performance reviews, decision-making, and training. But despite its growing popularity, there isn’t much research out there—so we still don’t know exactly which parts of these systems work best, or how they really drive engagement.

Most gamified systems have three core ingredients: clear goals, steady feedback, and some form of rewards. The idea is simple, clear, measurable objectives, making sure people know how they’re doing, and reward progress, whether it’s with points, badges, higher responsibilities, or even gifts.

### **2.1. Definition and Concepts**

At its core, workplace gamification is a new kind of performance management system that uses game elements to track and nudge task completion. The most common setup includes a dashboard where you have avatars, real-time scores, public leaderboards, and performance badges for individuals or teams. This transparency ramps up competition and pushes people to climb the rankings fast.

Gamification is just one aspect of a digital workplace, which uses new tools, creative organizational setups, new work styles, and flexible arrangements to completely change how companies run and how employees get managed.

### **2.2. Historical Context of Gamification in Work**

The first software that tracked performance metrics competitively showed up in 1986. By the mid- ‘90s, researchers like James Paul Gee were already exploring how casual workplace chat (or “chit-chat”) built a sense of community. Today, the building blocks of gamification—game mechanics, dynamics, emotions, and aesthetics—all combine to encourage employees to participate in exactly the behaviors the company wants.

### **2.3. Key Elements of Gamified Systems**

These systems lean on three essentials: action, feedback, and reward. When someone does something new, they get instant feedback. Rewards come at set intervals to reinforce good behavior. Think points, badges, leaderboards, these act as markers of achievement and valid social proof. Much like actual video games, gamified workplace tools keep people engaged by mixing up how often and how much they’re rewarded. But making these challenges too hard or too easy can backfire—too much competition can lead to gaming the system or outright cheating. Done well, though, these systems can seriously boost motivation and loyalty, which is especially important for managing Gen Z and Y in tourism.

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## **3. The Purpose Economy**

The “Purpose Economy” describes a workplace culture where the job itself offers a sense of meaning. There’s plenty of data for—and against—the claim that Gen Y and Z crave this sense of purpose, but when you connect purpose-driven cultures with employee engagement, the generational angle becomes a lot more important. In tourism, purpose ranks near the top for Gen Y and Z when they consider jobs. Since company culture is so intertwined with gamified systems, it also connects directly to what younger workers are looking for.

### **3.1. Defining Purpose-Driven Cultures**

Purpose-driven organizations inspire their people to work for goals that go beyond just making a profit. It’s about higher meaning—work that matters. Companies like this nurture a shared sense of mission, challenge old ways of thinking, and set out to make a difference. Most employees see real value in working toward a wider purpose—it validates all the

little things they do. But this bigger mission can't be forced or faked—it often means thinking unconventionally as the world changes. These purpose-driven cultures spark innovation and can give companies a real edge.

### **3.2. Impact of Purpose on Employee Engagement**

Gamified systems and purpose-driven cultures are now big players in how companies engage their workers, especially within tourism. But these tools don't motivate every generation in the same way. Gamification ramps up motivation for Gen Z but seems to push some Gen Y folks into thinking about leaving. At its root, gamification is all about using points, badges, and leaderboards to get people fired up about their work. But adding a sense of mission or purpose goes a step further, tapping into bigger social goals. Some companies—like Tourism Case Solutions—build this purpose right into their DNA. Of course, differences show up between countries, and generational motivation plays out in unique ways from place to place.

### **3.3. Case Studies in the Tourism Sector**

Recent studies in Catalonia looked at how loyalty and motivation shake out for Gen Z and Y in tourism companies. They found that yes, gamification can raise turnover risk (echoing similar results in the US), but it often makes people more motivated at the same time. For long-term loyalty, though, gamification works best alongside a purpose-driven approach, embedding those fun elements inside a bigger mission. As technology gets more advanced and more young people enter the workforce, tourism is set for even more change.

How this plays out depends on the worker's background—those just starting out often want to feel part of something bigger. People who've worked abroad and come back usually look for quick opportunities to move up. Many young workers who grew up with games want “pay for play” and variety in experience. Digital workspaces are creating a “work-life continuum” that's set to totally transform loyalty, especially for Gen Z.

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## **4. Generational Perspectives on Work**

Gen Z and Gen Y are now the backbone of hospitality worldwide, but they bring different priorities. Both want purpose-driven work, social connections, and flexibility, but Gen Z wants challenge and an entrepreneurial path. Gen Y is more interested in stability and clear career growth. For tourism businesses using gamified systems, understanding these varying expectations is crucial.

Both generations want workplaces with a sense of purpose and connection. But Gen Z is uneasy with traditional labor standards—what kept Gen Y loyal isn't enough for them. If companies can't keep up, they risk losing Gen Z even more quickly. And it's not just tourism—across industries, new bureaucratic trends are putting a strain on relationships between young workers and employers.

### **4.1. Characteristics of Gen Z Workers**

Workplaces everywhere are getting more engaged, and tourism faces both high turnover and the need to adopt these new tools. Gamification boosts motivation, but loyalty is another story, especially for teenage Gen Z workers. For younger Gen Y, gamification often turns into deeper commitment.

Motivation is only half the picture—when staff aren't motivated by a larger purpose, their ambitions drift outside the company. Tourism's mix of local and global work, and the push to attract Gen Z, makes it a great case study for what's coming next: a delicate balance between motivating workers and keeping them loyal.

The principles behind workplace gamification echo what Imperative calls the “purpose economy”—where employees want to contribute to society and find meaning. Over 70% of Gen Z workers prefer employers with a clear purpose and social value, and this trend is only getting stronger. That need for meaning isn't just internality stretching out to customers, too. Plenty of Gen Z workers want both motivation and loyalty, but when they sense the company isn't committed to them, they're quick to leave. So, motivation, purpose, and digital engagement all play key roles. The research wraps up with findings from a 2020 survey, generational comparisons, and a look at the future workforce.

### **4.2. Characteristics of Gen Y Workers**

Companies like Uber, Meituan, and Alipay use things like team competitions, task dependencies, and regular performance feedback to study turnover in gamified systems. New engagement tools and purpose-driven cultures are promising ways to tweak the work lives of Gen Y and Z, especially in tourism.

Gen Y, born from 1982 to 1996, wants a good balance between work and personal life—they're big on self-development and usually try to avoid educational debt. Compared to Gen Z (born after 1996), they stand out in how they approach work. Generation X was known for being cynical, but Millennials (Gen Y) tend to be more positive and optimistic. Still, both have become pretty career-focused and aren't afraid to move around for the right opportunity.

### 4.3. Comparative Analysis of Generational Values

Gen Y holds a big chunk of the current tourism workforce, but Gen Z is closing in fast. Gamified systems can help build a culture of purpose, but there's a risk-reward balance here—too much gamification can motivate, but it can also push people out the door. This might explain why early-career turnover is so high in tourism.

Understanding the differences between Gen Z and Gen Y matters, but so does recognizing whether employees work in digital or physical spaces. Technology has shifted lots of hands-on jobs to digital tools. Engagement tech now exists for all types of workers, though most current systems still focus on the digital crew. In a totally virtual engagement setup, leaders get a steady flow of data from employees; those in hands-on jobs interact with these systems less, but their activities still show up digitally. Great analytics can turn these digital traces into insights that predict turnover.

No matter what the job, the employee experience is becoming digital. Looking ahead, the challenge is to create digital experiences that keep people emotionally attached to their work.

Selecting new staff to build next-generation teams justifies the investment in engagement technology, and gamification helps by motivating workers while filtering out bad fits. Managers now need systems that scale—gamification might be what makes that possible. Gen Z and Gen Y each have their own take on purpose, so it's worth understanding their unique traits and how they stack up against each other.

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## 5. Motivational Theories in the Workplace

Why do people act the way they do at work? Motivational theories try to answer that question. Understanding these theories helps explain why employees perform as they do. Three big ones stand out when you look at how gamification affects company loyalty. Self-Determination Theory (SDT) talks about what drives us—everything from money and social approval to internal values. SDT puts a spotlight on "autonomous motivation," which is when people act because they genuinely want to, not because someone pressures them. On the flip side, there's "controlled motivation," where someone feels pushed by outside forces rather than making their own choice.

Expectancy Theory breaks motivation down into three parts. First, there's the belief that working hard will pay off (Effort-to-Performance Expectancy). Second, there's faith that if you do well, you'll get something you care about (Performance-to-Outcome Expectancy). And finally, Valence—do you even want the reward? The stronger these beliefs, the more driven a person becomes, and the better they usually perform.

Equity Theory is all about fairness. People look at what they put into work versus what they get back, and if they think they're getting a raw deal compared to others, motivation drops. But if the balance feels good, people often give even more than what's required.

### 5.1. Self-Determination Theory

Self-Determination Theory boils motivation down to two types: intrinsic (doing it because you like it) and extrinsic (doing it for a reward or to avoid punishment). According to SDT, people need to feel competent, connected to others, and free to make their own choices to be truly motivated from within. Feeling skilled, appreciated, and having autonomy—that's the winning combo for real engagement. Throw in a few external rewards, though, and you can kill that spark. The sweet spot seems to be when people get just enough challenges and regular positive feedback.

These days, especially in gamified workplaces, SDT matters even more for Gen Y workers, who crave autonomy, recognition, and connection. Genuine motivation to finish tasks climbs when these needs are met. With gamified systems, you can ramp up short-term motivation with points and badges, but the danger is that, over time, people start to lose that internal drive. Instead, they end up just chasing carrots (Dacre et al., 2021).

### 5.2. Expectancy Theory

Vroom's Expectancy Theory is everywhere in management circles. Basically, people get motivated when they believe two things: one, their effort will lead to good results; and two, those results will lead to something they genuinely want.

The more convinced someone is of these connections, the higher their motivation. Expectancy Theory stands alongside SDT as a cornerstone for understanding what gets people moving at work.

### 5.3. Equity Theory

Equity Theory says employees want fairness. They're constantly, maybe even subconsciously, weighing what they contribute against what they get—compared to coworkers. If the scales feel off, motivation drops, and people start looking for ways to fix it. Sometimes that means slacking off, asking for a raise, or just mentally checking out. Here, it's perceptions of fairness that matter, not the actual numbers.

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## 6. Gamification as a Motivator

In tourism, gamification is popular for boosting motivation, especially with Gen Y and Gen Z workers. Points, leaderboards, badges, they can fire people up. But do they make people loyal to their workplace? Not really. Gamified engagement tools are a double-edged sword. Sure, they ramp up short-term motivation. But they might make it easier for people to leave when the excitement fizzles out.

The problem? Building lasting loyalty usually takes deeper connections, trust, purpose, and shared goals. That's much harder to build when everything is digital and relationships are mostly screen-based. Gamification can get workers to try harder or hit targets, but it doesn't always create the sense of belonging employers want. If the goal is just to make work fun for a bit and get some quick wins, then gamification can do the trick. But if the aim is long-term commitment, gamification is just one piece of the puzzle—and not the most reliable one.

Motivation and loyalty are different beasts. Motivation is useful, but without loyalty, it's a shaky foundation for building lasting teams. A lot of digital gamified systems focus more on keeping people motivated, throwing out rewards and incentives, but don't do much to create strong bonds or a sense of mutual obligation. The things that make people want to stay—like meaningful work, contributing to something bigger, and genuine appreciation—are tougher (and pricier) to create, especially in digital workplaces.

Organizations have a tough balancing act. Today's younger workers want challenge and meaningful work but also respond to instant recognition and achievements. Often, gamification does more to pump up motivation in the short term than encourage people to stick around. In fact, the constant chasing after points and quick hits sometimes undermines deeper loyalty.

### 6.1. Mechanisms of Engagement

Gamification is now everywhere: training, team projects, even sharing new ideas. It's supposed to boost motivation for all kinds of tasks. But the real trick—especially online—is figuring out how to keep people engaged in a meaningful way that builds loyalty and reduces turnover. Gen Y and Gen Z now make up a huge chunk of staff in tourism and hospitality. Understanding what motivates them is key. Some organizations (like VisitScotland and Edinburgh Zoo) try to build collective, purpose-driven cultures. When there's a mismatch between what people want and what the company stands for, engagement tanks.

Gamification took off in the last decade across schools, governments, and all sorts of services. But it's not just about earning points or climbing leaderboards anymore. Nowadays, there's a lot more focus on what these systems do to people—and whether they're fair or ethical. Getting a grip on the psychology behind gamified motivation helps managers build better systems, especially in knowledge-based, innovative-driven workplaces like tourism.

### 6.2. Psychological Effects of Gamification

Gamification brings game mechanics—points, rankings, and challenges into everyday work. It started to make boring or repetitive tasks more fun. And for younger workers, it's often appealing. But there's a catch. Excitement can wear off fast, and while gamification can make people more engaged, it doesn't always translate to lasting organizational loyalty.

A study of hundreds of employees across Europe found that, surely, gamification boosted engagement—but mainly in the sense of getting people to do more extra-role tasks, not to stick around longer (Dacre et al., 2021). For managers, that means more pressure to make sure these systems pay off and don't just end up pushing people out the door. With so many digital platforms and tools now part of the workplace, there's a lot of overlap—gamified features are popping up everywhere, sometimes just for the sake of it.

### 6.3. Examples from the Tourism Industry

Third-party logistics (3PL) has gone through a huge evolution. What started as just moving goods from A to B has become much more—companies now handle everything from managing the info flow to helping clients gain a competitive edge. There are three main types: transportation-based, warehousing-focused, and forwarder-based 3PL modules. The definition of 3PL keeps expanding, now including everything from actual shipping to software contracts and more.

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## 7. The Risks of Gamification

Adding game design to work can be motivating, but there's a risk. While these systems (points, achievements, leaderboards) can boost performance, they might also push people away including your best workers. Programs aimed at making work fun or fulfilling some psychological needs don't always help people anchor themselves to the company for the long haul. Sometimes, they just make it easier for people to leave once the game stops being fun.

Research shows that when motivation gets too high—or is driven for the wrong reasons—people may get so wrapped up in the activity itself that they can rationalize leaving their jobs for something else, especially if they don't feel any deeper connection to their workplace. In other words, the higher the motivation without real loyalty, the greater the turnover risk. It's a strange trap: People work hard, perform well, but don't feel tied to the company, so they're gone with the next good offer.

Today's focus is on "purpose" —the sense of working for something meaningfully complicated things. When companies push a big "why," workers quickly sense when the fit isn't right. This can nudge them out the door even faster. The answer? Maybe: Companies need to build brands and workplace cultures that genuinely resonate, weaving purpose through people's professional and personal identities if they want to lower that risk.

Adding strong leadership and meaningful work design can help. Some studies suggest it's possible to crank up motivation without boosting turnover, but it's a fine line. Real-world cases show the relationship between work design, motivation, and loyalty is complicated—and one-size-fits-all approaches don't work.

### 7.1. Potential for Increased Turnover

Gamified systems are used everywhere to get younger workers performing, but the jury's still out on whether this increases or decreases loyalty. In industries like tourism, where the work structure is rigid, younger generations aren't necessarily inspired by traditional company cultures. They're more likely to leave if they don't feel connected or see value in staying. Motivation techniques, including gamification, can make work more engaging—but once that motivation disappears, so does the worker. A lot of research backs this up: real, authentic participation keeps younger staff loyal, while dangling too many extrinsic carrots pushes them away.

Younger workers want jobs that match their values and let them grow. If they don't find that, they're out. So, it's up to tourism operators to build environments that help people thrive, not just rack up more points. In the end, using gamification to support learning and boost motivation only really pays off when you back it up with a culture that focuses on purpose and people.

### 7.2. Balancing Motivation and Loyalty

Motivating people with gamification does not guarantee loyalty. Managers face a key dilemma: Will turning work into a game keep workers, or just make them more likely to leave? The real test is which designs do a better job keeping people around for the long haul. The next sections lay out how typical gamified systems work, what effect a purpose-driven culture can have, and what Gen Y and Z really care about. Plus, it ties in the main motivational theories that explain what drives loyalty at its core.

The truth is that while gamification sparks motivation, it often doesn't translate to actual retention, especially with younger workers. Managers must find a balance between keeping people engaged and keeping them invested in staying with the company. This management paradox is shaping how everyone thinks about the future of work—and how they'll need to adapt to new generations and new forms of digital engagement.

### 7.3. Critiques of Gamified Systems

Technology keeps changing fast. It's pushed more of our work into virtual or hybrid spaces, shaking up established job roles and forcing people to rethink their careers. This shift really matters for loyalty and turnover (Dacre et al., 2021).

Take engagement tech like gamification—it speeds up how people experience engagement and motivation, sometimes leading them more quickly to consider leaving. Loyalties are always connected to culture, especially the relationships between employee and organization, so you must factor in generational differences. Enhanced engagement and higher motivation don't affect Gen Z and Gen Y the same way.

Sure, generations share traits, but those broad categories miss a lot of the nuance in how people behave (Martin Poole et al., 2014). It's risky to predict what younger workers will value in a few years. The average age in tourism and hospitality has been rising, but with so many older workers heading for retirement, Gen Y and Z will soon make up most of the workforce. Tourism is already struggling with high turnover, so it makes sense to look at these generations more closely. Still, Gen Z is new to the scene, and we can't assume we know what defines them—there's always a risk of seeing things only through our own cultural lens.

#### **7.4. Digital Workplaces and Employee Experience**

Tourism jobs see more people come and go than in almost any other field. That means managing loyalty is a big deal. As more work goes digital, there's a real opportunity to use gamified systems to motivate people. But digging into how that works shows something interesting: Gen Z and Y workers often start out excited by the rewards and engagement of gamified systems, but if those incentives drop off before loyalty to the organization sets in, turnover risk shoots up. If gamified leadership falls flat, it can undermine loyalty instead of building it. Western European survey data backs this up—loads of Gen Z and Y tourism workers supported adding gamified engagement tech, especially during and after COVID-19 (Dacre et al., 2021). So, organizations might succeed in boosting motivation with a gamified culture that includes formal pledges of loyalty, at least at first, without causing a huge wave of departures (Solnet and L Kralj, 2010).

Gamification started off in marketing, but lately it's become a buzzword for managing employees. The big idea is to build a "purpose economy"—a workforce pulled together by shared goals rather than just paychecks, so organizations get more from people without necessarily paying more. Leaders talk about giving every employee a starring role and building a sense of community, transforming hesitation into real purpose. Learning Theory even backs up the idea: if you build a system where people's efforts are connected to social rewards and a sense of meaning, you drive both productivity and engagement in digital workspaces.

A mix of gamified leadership and a digital "purpose economy" is starting to reshape what the digital workplace means. These tools can turn workplace experiences into something you can't really measure—into real, visible gains in how much people get done. Oddly, though, even as participative management and more engaging leadership methods boost motivation, they also seem to push Gen Z and Y employees toward leaving. So, funnily enough, making jobs more motivating could weaken loyalty instead of strengthening it.

#### **7.5. Role of Technology in Employee Engagement**

Gamification has taken off since 2010. Back in 2011, Gartner guessed that over 70% of big global companies would use some gamified apps by 2014 (Martin Poole et al., 2014). The trick is borrowing what makes games addictive—feedback, progress bars, challenges—and putting that into everyday work. Everyone assumed it'd make people more loyal, but in tourism, it seems to have the opposite effect by increasing turnover. Since tourism is already one of the most digital industries, it's the perfect place to study this dynamic. These tech systems were built with Gen Z and Y in mind, using Ostroff and Clark's generational framework and French's purpose economy model.

Tech now runs everything from feedback to performance reviews, promising more motivation, clear communication, more freedom, better work-life balance, and personal growth (Solnet and L Kralj, 2010). Those are the upsides. But the shift isn't all positive, the risk of higher churn is real. The point is to shine a light on how these tech tools can drive motivation, but at the cost of people bouncing from job to job, especially in environments favored by younger generations. With new digital engagement platforms spreading fast, organizations in tourism need to get savvy about holding onto staff by understanding how generational loyalty works.

#### **7.6. Virtual vs. Physical Work Environments**

The pandemic made "the future of work" an urgent topic. With Gen Z flooding into service jobs, figuring out what they want from work is more important than ever if companies want to keep them. Virtual workspaces are popping up everywhere; for some, it's the one bright side of a chaotic job market. Though hospitality still relies a lot on face-to-face work, rising demand means there's a big opening to rethink the digital employee experience (Solnet and L Kralj, 2010).

Gamification is back in style, popping up in offices worldwide and only set to get bigger through the 2020s. Real-time rewards, instant feedback, and social recognition are the name of the game. Digital, data-focused, gamified organizations are rolling out pinpoint tools using game mechanics to motivate people from the inside.

A 2024 survey shows that Gen Z tourism workers are even more positive about gamified tools than Gen Y—but there's always the catch: more gamifications could mean more people leaving. The same study also shows growing, but still limited, excitement for purpose-driven culture—lining up with what “the Purpose Economy” found linking purpose, engagement, and performance.

There's growing curiosity about how all these new engagement tools are affecting motivation. Employers, trade groups, and industry leaders can't ignore the ways gamification and loyalty intersect, especially as young workers now make up the frontline. The year-round appeal of tourism jobs might very well hinge on how this plays out.

### **7.7. Future Trends in Digital Workplaces**

Tech is totally transforming how we work and interact. Digital workplaces—whole virtual worlds where people do their jobs—are getting more advanced, and some companies prefer them now. The sweet spot is when these spaces let people easily chat, team up, and connect—they're more likely to stay engaged. For younger workers, online interaction is usually the top choice, so digital-focused environments are a win for keeping them involved.

Engaged workers are more satisfied and stick around for longer. But the digital strengths and weaknesses really depend on what each employee wants. Future digital worlds at work might let people customize their experience—pick how they interact, tailor the tools to their needs. The companies quick to jump on this could build a lasting edge. New strategies will probably need to offer a bunch of ways for people to connect, all through a single digital portal, to suit all kinds of preferences (Solnet and L Kralj, 2010).

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## **8. Case Studies**

The impact of gamification on the workforce is a hot topic right now. For some people—especially Gen Z and Gen Y—it feeds into higher turnover. That risk isn't lost on tourism businesses, either. Plenty of them have rolled out gamification programs, trying to keep folks engaged, but the results are all over the map.

Let's look at two real cases. First, there's a Queensland resort that pulled off a successful gamified workflow system—a smooth integration with their ERP platform using PointBuzz, a live leaderboard and rewards tool built for hospitality. Pretty soon after launch, managers saw employees getting more involved at work. A few months in, they posted their best staff satisfaction scores in ten years. So, big win for gamification there.

On the flip side, a national hospitality group tried to jazz up its online training with gamification but flopped. Instead of feeling engaged, workers started heading for the exits in bigger numbers. This contrast really digs into the heart of the issue—why does gamification sometimes boost loyalty with certain age groups but backfire for others? Figuring this out matters if companies want to use gamification in a way that makes sense—and saves money—in tourism.

Gamification itself is about bringing game-like dynamics—things like points, badges, leaderboards, and challenges—into regular work to shape behavior and drive motivation (Dacre et al., 2021). Even though the term “gamification” only popped up in 2008, versions of these systems have been around for decades. But their popularity has skyrocketed lately. Gartner once predicted that by 2014, most big companies would use at least one gamified app.

There are a handful of good tourism examples out there. Disney Resorts & Spa, for one, tracks timesheets and expense claims with a gamified points system and uses leaderboards to stir up a little friendly competition. Over at Julie's, a snack company, they use collaborative games to keep their fast-changing retail teams connected. And IntraGen, before it hit the public markets, leaned into competitive gamification to spark new ideas. In each case, the common thread is simple: gamification gets people engaged and helps key operations run smoother.

But it doesn't always work. Take the Tourism Enterprise Zone in New South Wales—their rollout of a gamified opportunity and performance management plan had the opposite effect: higher turnover. Fast, easy, low-effort rewards just didn't cut it. Instead of sticking around, workers left for other jobs. This story reflects a tricky reality: gamification alone can't solve deep-rooted issues of loyalty. It can rev up motivation, but unless there's a strong sense of purpose, it falls short on making people stay for the long haul.

Solnet and Kralj's work in 2012 makes this clear. They held a seminar in Australia to look at how organizations could attract younger workers while keeping older staff happy. They surveyed Gen Y employees, comparing their attitudes and expectations with older groups. One Aussie company saw big success, using new tech and up-to-date workplace practices to draw in Gen Z and help Gen Y workers find purpose. But in the UK, when a service company gamified its performance management, it made things worse and turnover ticked up, especially among Gen Z. That's the Virgin Media Depot case, which really highlights the challenges of motivating young workers without pushing them away.

So, what's the takeaway? Gamification is now a major tool for motivating and engaging young workers, especially in digital workplaces and in the public sector. But it's not a silver bullet. While it pumps up motivation, experts like Deterding and Bratchford argue it might feed the very turnover companies want to avoid. Basically, gamification sparks action but doesn't always plant the seeds for long-term loyalty.

To understand where things stand now, researchers surveyed current trends in gamification and purpose-driven workplaces. The core focus: How do these strategies shape loyalty among Gen Z and Gen Y tourism workers? This matters because these generations care deeply about both engagement and loyalty, making them perfect fit for an industry that's constantly fighting high turnover. If tourism companies want a stable, motivated workforce, they need to balance motivation and loyalty when designing gamified workplaces and cultures based on shared purpose.

And the landscape is shifting. New tech like serious games, virtual and augmented reality, and AI are rewriting workplace culture. Young workers come with their own expectations: they want meaningful work, not just bonuses or old-fashioned systems. Gamification connects to this shift. It isn't just about money or traditional loyalty—it's about immersing workers in a system where they "play" a role, track their performance, and chase rewards. It can drive engagement, but, left by itself, it rarely builds lasting loyalty. Without a real sense of purpose, people quickly lose interest, and engagement levels drop—which just ends up feeding turnover further.

There's also a huge gap in accessibility. Czech researchers found that disabled users are almost ignored in gamified systems. Adding a ramp or a braille sign might meet minimum standards, but if the core game or system isn't designed for everyone, developers miss the point. And now with more people accessing these platforms on mobile or via voice, ignoring accessibility isn't just unfair, it's shortsighted and limits the real potential of gamification.

When it comes to young workers, the tourism industry faces big changes, new tech, new expectations, and a new sense of purpose. Gen Z wants meaning and values work-life balance; Gen Y looks for fulfillment and substance over paychecks. Both groups dominate global service roles now. But even as gamification draws them in, it also tends to push up voluntary turnover, revealing a complicated link between being motivated and sticking around.

All this gives employers a lot to think about. Gamified systems can energize the new generation, but they also bring risks—especially to loyalty. So, for tourism, where retaining workers has always been tough, the key isn't just better pay or clearer career ladders. Culture counts for more. Companies need to foster environments where purpose and engagement matter, not just short-term incentives.

Looking ahead to 2040, turnover in tourism is set to climb even higher. Tomorrow's jobseekers will want different things compared to today's Gen Y. That's a big shift, and right now, a lot of tourism businesses aren't ready for it. The balance between motivation and loyalty isn't easy, but if the industry wants to keep its people, it can't ignore it.

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## 9. Future of Work in Tourism

Tourism is changing fast. As new workplace trends and technologies take over, employers need fresh ideas to keep workers happy, motivated, and committed. High employee turnover remains a stubborn problem in tourism, dragging down innovation and making it tough to give guests the great experiences they expect. If businesses want to keep up, they must figure out how to encourage loyalty and long-term satisfaction—especially since digital systems like gamified performance management can make things even trickier. These new tools can boost excitement at work, but they also risk pushing people out the door faster.

The tension between technology and loyalty shows clearly in Gen Z and Gen Y, the biggest generational cohorts shaping the industry. While many businesses haven't rolled out gamification everywhere yet, those who have seen it draw people in and keep work interesting. There's a lot of evidence that gamified leadership models—top-down, results-focused, and built around short-term goals—can fire up a team, especially in hospitality, travel, and leisure companies. But the catch is, this surge in motivation makes workers feel less anchored to their employers, so they're quicker to jump ship.

On the other hand, purpose-driven organizational cultures—like those built by Patagonia, UNICEF, or TOMS—are gaining ground. These cultures bind people together around shared values, make work feel meaningful, and satisfy that hunger for purpose. People get involved, stay engaged, and find work more fulfilling. Businesses that focus on building a sense of shared mission tend to hang onto their people longer without worrying so much about rigid hierarchies.

There's a big upside here. These approaches can help break the old link between wages and commitment and might even help reverse the decades-long slide in real pay versus productivity. If tourism keeps moving this way, industries everywhere may get better at attracting and keeping top talent—especially since today's workers want more than just a paycheck. Purpose-driven cultures and gamification are starting to blend gamification can spread that sense of purpose across a wider workforce and foster a new kind of two-way street in employer-employee relationships where outdated ideas of authority fade into the background.

### **9.1. Looking Ahead to 2040**

By 2040, the workforce—and customer expectations—are going to look different. Employee engagement will still drive customer satisfaction and profits. Gen Y will remain central to the talent pool and understanding what matters to them is big business. But as people keep working later in life, smart businesses are also adapting to meet the needs of every generation. Research shows dedication is about engagement more than age—enthusiasm crosses generational lines.

### **9.2. Evolving Employee Expectations**

Since engagement helps prevent churn, companies are investing in digital engagement tech to track and boost how involved workers feel. Gamified systems—ranking, earning rewards, beating goals—are already widespread and get people excited about their jobs, especially on the front lines. The idea is simple: turn everyday work into a game, and people will engage more deeply. But while gamification is hot, nobody's quite cracked the code on how to use it in a way that truly sticks. It's easy to get people fired up, not so easy to keep them around.

### **9.3. Adapting to an Industry in Flux**

Tourism never stands still. Gamification and purpose-driven cultures are pushing companies to rethink their approach, but the results are mixed, especially across generations. While Gen Y responds well to both approaches, research suggests that Gen Z might be even more likely to leave if conditions aren't right—even if they're highly engaged at first. Digital tools bring more energy, yes, but also more risk of people moving on. The challenge for tourism bosses? Finding tech-savvy solutions that really work for younger workers, keeping them both motivated and loyal.

Gen Z is hitting the workforce and starting to shape tourism. The next chapters dive into recent surveys of Gen Z and Y in tourism, break down how gamification and purpose-driven work tie into their values, and unpack what makes each cohort tick. Along the way, we'll look at classic and new motivational theories to understand what gets people to stay.

### **9.4. Recommendations for Employers**

If you want to attract and hold onto Gen Z and Gen Y, you need to design your systems with their expectations in mind. Gamification and purpose-driven cultures can ratchet up motivation, but they also raise the risk that your best people will get poached. Young workers value feedback, a sense of progress, and organizations that let them live their values. And with so many digital platforms in play, it's easier than ever for them to jump to new jobs—even across continents.

Look at examples like Royal Caribbean or Uber, where gamified performance systems and purpose-filled company cultures make them magnets for top talent. But be wary: these techniques drive engagement and excitement but also make it easier for people to explore new options elsewhere. Gamification gives employees a taste of achievement and recognition—and opens doors to similar opportunities beyond your organization.

### **9.5. Designing Better Gamification**

The secret to good gamification? Know your people, understand what truly motivates them, and create rewards that mean something. Mix recognition, a sense of impact, opportunities to learn, and meaningful challenges into your system. Skip the shallow stuff; you want structures that tie people to the organization, not just make the workday a little more fun. Smart gamification uses game logic not just to spark effort but build real loyalty—especially with digital natives who expect more from their jobs.

## 9.6. Building a Purpose-Driven Culture

Purpose-driven workplaces don't just make employees happier, they lead to stronger customer loyalty, better retention, and higher profits. Companies driven by purpose attract a broader and more diverse workforce, including people from all backgrounds and ages. Engagement is what really builds loyalty, no matter what your generation. Workers who feel connected to something bigger than a paycheck tend to step up, put in effort beyond what's required, and stick around.

But here's the catch: many companies still don't get culture right. Creating a truly purpose-driven space means you must double down on values like meaning, community, growth, recognition, authenticity, and transparency. Leadership matters here—good leaders know what the company stands for and help everyone see their place in the bigger picture.

## 9.7. Retention Strategies for Young Workers

Holding on to younger staff is tough in tourism—turnover is high, fresh applicants are hard to find, and loyalty doesn't come easy. When old-school perks and incentives don't work, gamification steps in. It creates new hooks to keep people interested and invested, even when other motivators have faded or are out of reach. Gamified systems entice people to dig in—pouring energy and time into the group, reinforcing that sense of belonging, and building ties even as the outside world pulls them in different directions.

Basically, when it's hard to keep young workers—and traditional incentives aren't cutting it, gamification emerges as not just a smart strategy, but sometimes the only one that works. It might not solve every problem, but it gives tourism employers a fighting chance to spark motivation, build loyalty, and hang onto their teams as everything else changes around them.

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## 10. Conclusion

Balancing motivation and loyalty have become a tricky challenge for companies using gamification to engage Gen Z and Gen Y tourism workers. Big players in hospitality, tourism, and service industries roll out gamified systems to attract and keep millennials, but the results are mixed. Turnover models point out that young Gen Z workers—who dive right into these gamified environments early in their careers—are the ones most likely to quit. Their Gen Y coworkers don't seem as eager to leave, even though they use the same gamified tools.

To counter this, some employers try building purpose-driven cultures. These offer workers something more meaningful than just points or badges, creating loyalty across both generations. Tools like digital workspaces, leaderboards, and performance tracking can spark friendly competition and highlight achievements. The goal? Getting people engaged without scaring them off or turning the workplace into a reward-obsessed environment.

New research suggests that gamification and purpose-driven cultures aren't rivals—they can work together. They're both part of a shift toward long-term expectations: staff stick around longer, their careers grow, and companies rely less on constantly replacing people. This approach could transform today's high turnover into a future where staff turnover is low and both new and experienced workers stick around.

The link between happy customers, solid profits, and engaged employees is clear enough (as Solnet and L Kralj found back in 2010). Companies often chase engagement with gamified solutions, thinking these will naturally boost motivation and keep people working. It seems logical on the surface, but reality doesn't always fit. Even when employees are pumped up by these programs, turnover—especially among Gen Z—hardly slows down. This pattern reveals a flaw: boosting motivation doesn't guarantee loyalty.

The challenge comes down to two things. First, getting people engaged. Second, convincing them to stay. These might sound similar, but they come from different places and sometimes pull employees in opposite directions. New digital engagement tools give companies new ways to attract and manage staff, but they also raise a tough question: how can you keep people motivated and eager to stay long-term? Turns out, it's not enough just to talk about making people feel like they matter or belong; real action is what makes the difference.

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## Compliance with ethical standards

### *Disclosure of conflict of interest*

No conflict of interest to be disclosed.

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