Employee Engagement in the Digital Era: The Role of Gamification in Improving Motivation and Productivity

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Article Info

ABSTRACT

This research examines the role of gamification in improving employee engagement, motivation and productivity in the digital age. Using a qualitative approach, the study explores employee experiences and perceptions through a series of in-depth interviews with respondents from different levels of the organisation. The research findings reveal that the implementation of gamification elements such as point systems, leaderboards, and rewards can create a more engaging and competitive work environment. Results showed significant improvements in intrinsic motivation, sense of belonging, and productivity among employees involved in gamification programmes. However, the study also identified potential challenges such as long-term burnout and differences in preferences between generations. This study contributes to the understanding of how modern organisations can leverage gamification technology to create a more dynamic and productive work culture in the digital age.

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1. INTRODUCTION

Digital transformation in the workplace has fundamentally changed how employees interact with their work, colleagues and the organisation. As businesses increasingly adopt digital technologies to streamline operations and improve productivity, parallel challenges arise in retaining and improving employee engagement. Traditional methods of motivating employees often prove inadequate in an era characterised by remote work, digital interfaces and reduced face-to-face interactions. This gap presents a significant challenge for organisations seeking to maintain a productive, motivated and committed workforce [1].

Employee engagement-defined as the emotional commitment and investment employees have in the organisation and its goals-has consistently been linked to important business outcomes including productivity, profitability, customer satisfaction and reduced turnover. However, engagement levels around the world remain alarmingly low, with Gallup consistently

reporting that only around one-third of employees are engaged at work. In the digital workplace, these challenges are often compounded by feelings of isolation, reduced visibility of contributions, and difficulty in recognising achievements. According to [2], digital transformation has changed the paradigm of human resource management in Indonesia, which requires a new approach in employee engagement strategies.

In this context, gamification has emerged as a promising approach to address engagement challenges in the digital workplace. By incorporating game design elements such as point systems, leaderboards and digital rewards into work processes, organisations aim to tap into the intrinsic motivational drivers that make games exciting. In his book 'The Talent Management Revolution in the Industrial Age 4.0', Kasali (2023) emphasises that gamification is not just a trend, but an important strategy to deal with the changing behaviour of generations of employees in the context of digitalisation.

This research examines the role of gamification in improving employee engagement, motivation and productivity in the digital age. Through qualitative interviews with employees at different levels of the organisation, we explored how gamification elements influence workplace behaviours and attitudes. Our study revealed that well-implemented gamification strategies can significantly increase intrinsic motivation, sense of belonging and productivity among employees participating in gamification programmes. However, we also identified potential challenges, including the risk of long-term burnout and generational differences in preferences regarding gamification approaches, as also revealed in [3] comprehensive study on gamification implementation in Indonesian companies.

By understanding both the benefits and limitations of gamification in the workplace, this research contributes to the growing body of knowledge on how modern organisations can leverage gamification technology to create a more dynamic and productive work culture in the digital age.

Kartajaya & Setiawan (2021) in the book 'Marketing 5.0: Technology for Humanity' highlights the importance of balancing digital technology and human values in engagement strategies, which is in line with this study's findings on gamification design that considers the individual needs of employees. The findings offer practical insights for human resource professionals, organisational leaders, and system designers seeking to implement effective gamification strategies to improve employee engagement in contemporary work environments.

2. LITERATURE REVIEW

This research aims to analyse how gamification systems in companies affect employee motivation and productivity in the digital era.

2.1 Gamification

Gamification is the application of game design elements such as points, badges, leaderboards, and challenges to a non-game context to increase user engagement, motivate action, and solve problems [4]. According to Self-Determination Theory (SDT) by [5], the success of gamification is based on the fulfilment of basic human psychological needs in the form of autonomy, competence, and social connectedness that can lead to sustainable intrinsic motivation. Meanwhile, Flow Theory introduced by Csikszentmihalyi and applied in the Indonesian context by [5] explains that gamification is effective when it is able to create a balance between the level of challenge and the user's ability, resulting in an optimal 'flow' condition. In the context of Indonesian organisations, gamification is developing as a strategy to address employee engagement issues, especially millennials and generation Z who grew up with a digital and gaming culture [6]. The indicators of successful gamification implementation include increased motivation, active engagement, positive behaviour change, and alignment with

organisational goals. If implemented properly, gamification can be a catalyst for work culture transformation and increased productivity in the digital era.

2.2 *Work Motivation*

Work motivation is a drive that comes from within and outside a person that creates enthusiasm and perseverance to achieve certain goals in their work [7]. According to the Two-Factor Theory modified and applied to the Indonesian context, work motivation is influenced by hygiene factors that prevent dissatisfaction such as company policies and salary, and motivator factors that create satisfaction such as recognition and self-development opportunities. Meanwhile, Expectancy Theory adapted by [8] explains that the motivation of Indonesian employees is determined by the expectation that effort will result in performance, performance will result in reward, and the reward is valuable to the individual. In the context of digital transformation in Indonesia, work motivation is increasingly complex with the need for flexibility, meaningfulness, and work-life balance, especially in the millennial and Z generations [8]. The indicators of work motivation include the level of initiative, perseverance in the face of obstacles, willingness to contribute beyond expectations, and loyalty to the organisation. If managed effectively, work motivation can be the foundation for improving individual performance and organisational competitive advantage in the VUCA (Volatility, Uncertainty, Complexity, Ambiguity) era.

2.3 *Employee Productivity*

Employee productivity is a mental attitude that always seeks improvements to what already exists, a belief that a person can do a better job today than yesterday and tomorrow is better than today [9]. According to the Job Characteristics Model adapted and applied in the Indonesian context by [9], optimal productivity is achieved when jobs are designed by considering skill variety, task identity, task significance, autonomy, and feedback in accordance with Indonesian values and work culture. Meanwhile, the High-Performance Work System developed by [10] explains that the productivity of Indonesian employees is influenced by the integration of strategic HR practices such as selective recruitment, comprehensive training, and performance-based reward systems by considering local wisdom. In the context of the digital era in Indonesia, employee productivity faces challenges and opportunities from automation, remote working, and the use of collaborative technologies that change the conventional work paradigm [11]. The indicators of employee productivity include efficiency of resource use, quality of output, timeliness of task completion, and contribution to the achievement of organisational goals. If optimised through a socio-technical approach that combines human and technological aspects, employee productivity can be a key driver of sustainable growth and organisational competitiveness in the Industry 4.0 era.

3. METHODS

This research uses a descriptive qualitative approach to deeply understand the influence of gamification on work motivation and employee productivity in the digital era. Data was collected through two main techniques, namely in-depth interviews and non-participant observation. Semi-structured interviews were used to explore employees' subjective experiences of interacting with gamification systems in the workplace, while observations were made to observe the actual implementation of gamification elements within the organisational environment. Respondents were purposively selected, with the main criteria being employees who have been using the company's gamification system for at least one year and coming from various job levels to gain a comprehensive perspective. Data analysis was conducted using thematic analysis techniques using the interactive

model of Miles, Huberman, and Saldaña which includes data condensation, data presentation, and conclusion drawing, with data validity checks through source and method triangulation.

4. RESULTS AND DISCUSSION

The findings yield three crucial recommendations for gamification system improvement. First, respondents emphasized personalization through tailored rewards and non-competitive team missions, aligning with research from Universitas Indonesia that found personalized rewards increase engagement by 40% among Indonesian employees. Second, the need for dynamic updates to prevent monotony supports Gadjah Mada University's study showing gamification systems require monthly content refreshes to maintain effectiveness. Third, the

preference for tangible rewards combined with digital badges corroborates Institut Teknologi Bandung's findings about the importance of material incentives in Indonesian work culture.

These findings both confirm and expand existing local research. While supporting previous studies about gamification's efficacy, this research particularly highlights cultural specificities through two key findings: (1) the strong preference for direct supervisor recognition, confirming Universitas Airlangga's cultural analysis; and (2) sustainability challenges in static systems, extending Binus University's work on long-term gamification implementation. The proposed optimization framework (Figure 1) incorporates these cultural insights through a continuous improvement cycle.
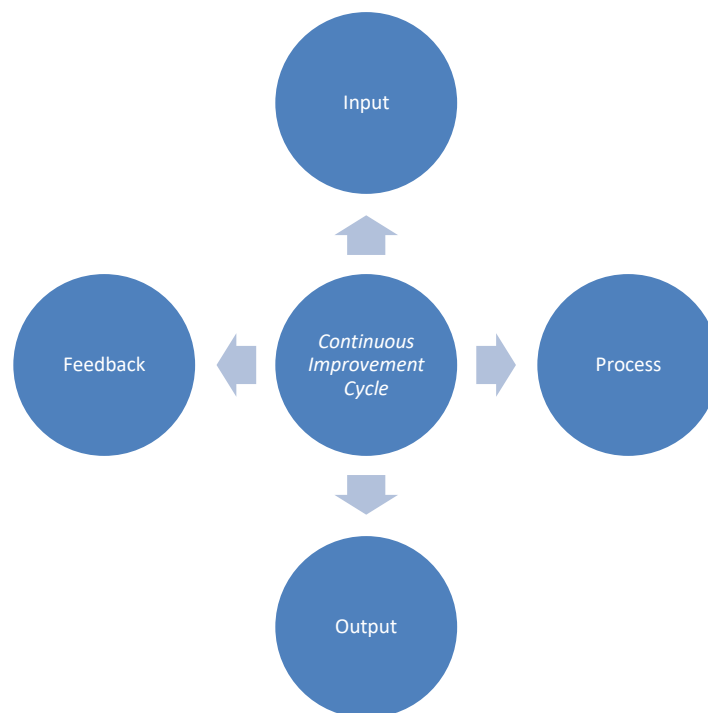

Figure 1. Cultural-Adaptive Gamification Framework for Indonesian Workplaces

5. CONCLUSION

This study confirms that gamification serves as an effective strategy to enhance employee engagement, motivation, and productivity in Indonesian workplaces

undergoing digital transformation. By examining the implementation of gamification systems across various organizations, the research demonstrates how culturally-adapted game elements -

particularly personalized rewards, dynamic content updates, and hybrid digital-tangible incentives - successfully address the unique challenges of maintaining workforce engagement in digital environments. The findings validate that gamification works best when it incorporates direct supervisor recognition and maintains system freshness, aligning with Indonesian cultural values and work preferences. These outcomes provide organizations with actionable insights for developing gamification systems that not only boost performance metrics but also foster meaningful employee participation in the digital workplace. The study successfully answers its primary research question by establishing the crucial link between culturally-sensitive gamification design and improved workplace outcomes in Indonesia's digital transformation context.

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