

# The Future of Employee Recognition

How can AI,  
personalization &  
predictive analytics  
address today's  
challenges?



# Introduction

Recognition programs play a vital role in shaping employee perceptions and workplace experiences. As AI, hyper-personalization and predictive analytics transform the way people work across industries, these technologies also have the potential to deliver significant improvements in the day-to-day employee recognition experiences. In this eBook, we explore the future of employee recognition from three perspectives:

**Strategy:** What are the goals and challenges that exist today for improving employee recognition programs and experiences?

**Technology:** What use cases exist for leveraging currently available technologies to address today's goals and challenges?

**Risks:** What are the technology risks, adoption and governance issues that must be addressed for safe, secure and successful deployment?

These topics were discussed during a recent roundtable with members of the Trendicators Advisory Council, with one key consideration in mind:

**AI must support, rather than replace, human interaction in employee recognition to maintain authenticity, empathy and emotional connection, as algorithmically generated praise often feels impersonal or insincere.**

The session was moderated by Jeff Gelinas, President of Employee and Consumer Engagement at Engage2Excel, Dr. Charles Scherbaum, Engage2Excel's Chief Analytics Officer and professor of psychology at Baruch College, City University of New York and Andrea Shepherd, Chief Customer Officer at Engage2Excel.

## ROUNDTABLE MODERATORS



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*Trendicators is the research division of the E2E group of companies, leading providers of engaging career and consumer experiences. Trendicators provides original research and reports on insights and best practices from industry leaders and experts.*

STRATEGY:

# Goals and Challenges for Improving Employee Recognition



Employee recognition sits at the intersection of engagement, performance and culture. While today's technologies offer great promise for creating more meaningful recognition experiences, prioritizing strategic objectives is the first step for ensuring that transformation initiatives drive tangible business value. In this section, we review six goals and challenges that HR leaders can address to improve the effectiveness of employee recognition and rewards programs.

GOAL	WHY THIS MATTERS	CHALLENGE
<b>Making Recognition Meaningful at Scale</b>	Employees no longer accept generic "thanks for all you do." They expect recognition that is personal, specific and tied to real impact. At the same time, organizations are larger, more distributed and increasingly automated, making it harder to deliver consistently.	How to deliver high-quality, human recognition at scale without it becoming generic, transactional or entirely outsourced to technology.
<b>Aligning Recognition with Groups, Roles &amp; Cultures</b>	Aligning employee recognition programs across diverse groups, roles, locations and cultures is challenging because a "one-size-fits-all" approach can lead to inequity, disengagement and perceived favoritism.	How to create recognition practices that are truly inclusive of different departments, locations (remote, office, factory), job roles and cultures.
<b>Making Recognition Easier for Managers</b>	Employee recognition given by managers plays a fundamental role in improving engagement, performance and retention. However, many managers feel they are either too busy or do not understand the importance employees place on receiving recognition from their managers.	How to make it easier for managers to incorporate the delivery of timely, meaningful and personalized recognition into their daily routines.

GOAL	WHY THIS MATTERS	CHALLENGE
<b>Recognizing Personal Preferences &amp; Achievements</b>	While public praise may motivate one employee, this may embarrass others who prefer a one-on-one, private expression of appreciation. Furthermore, effective recognition must be timely and associated with specific behaviors and achievements.	Managers are busy and often lack knowledge of individual preferences or insight into behavioral improvements that merit recognition.
<b>Ensuring Fairness, Equity &amp; Consistency</b>	Recognition is not neutral. Who gets praised, how and for what sends powerful signals about whose work is valued. While all employees want to be appreciated, the highest performing individuals often receive the majority of praise. Fairness in recognition is as important as fairness in pay and promotion.	How to ensure that top performers, under-recognized achievers and at-risk employees are recognized in ways that make them feel they are appreciated and valued contributors to organizational success.
<b>Documenting Program Effectiveness for Leaders</b>	Recognition is no longer a “nice to have” perk. Under budget pressure, HR and recognition program managers must show that recognition investments drive measurable outcomes.	How to design recognition strategies that cut through the noise, are actively used and can be clearly linked to retention, performance and business results.

## Recognition Strategy vs. Platform

When prioritizing use cases for improving employee recognition experiences and outcomes, HR leaders need to distinguish between their recognition strategy and the third-party SaaS platforms that support it. The platform is an enabler, not the program itself. Clarity on this separation helps HR retain ownership of vision, values, governance and success metrics, while holding vendors accountable for configuration, data practices and technical performance that align with the organization’s culture and compliance requirements.

## TECHNOLOGY:

# Use Cases for Addressing Current Recognition Challenges



Agentic AI, along with personalization and predictive analytics, can improve employee recognition programs by enabling hyper-personalization, increasing the timeliness, frequency and authenticity of recognition and reducing bias. When integrated with HRIS and other systems, these technologies can analyze performance and other data to trigger in-the-moment recognition and rewards recommendations to help leaders, managers and employees create more meaningful recognition experiences.

The use cases in this section are not a checklist for immediate implementation, but a window into what's quickly becoming possible. They're designed to provide HR leaders with a look into the future of employee recognition and how the tools currently available will realistically evolve recognition programs and expectations over the next few years.

Please refer to the Glossary on page 10 for definition of key terms used in this report.



### **Making Recognition Meaningful at Scale**

AI-powered recognition platforms can analyze performance, collaboration and feedback data to surface timely, high-impact moments worth celebrating.

Personalization cues can provide contextual suggestions to deepen personalization and help tailor messages and rewards that highlight each employee's contributions, tenure and career development goals.

Predictive analytics identify who is at risk of feeling overlooked and recommend actionable recognition prompts. Together, these capabilities help HR and managers deliver authentic, specific recognition to employees without diluting meaning or relying on generic praise.

Modern recognition platforms can be designed to use AI to map behaviors and achievements to your organization's values, role expectations and team goals.

Personalization rules can help stakeholders craft messages and rewards so engineers, salespeople, frontline workers and corporate teams are celebrated in ways that resonate with their work realities.

Predictive analytics can uncover gaps in recognition by function, region or demographic group, helping HR fine-tune programs to reinforce culture consistently across diverse teams.



### **Aligning Recognition with Groups, Roles & Cultures**



## Making Recognition Easier for Managers

AI can help reduce managers' cognitive load by scanning performance data, project milestones and peer feedback to suggest who should be recognized and why.

Personalized messaging prompts can help managers quickly craft specific, meaningful messages aligned to company values. However, AI-support tools should be used only to improve, not replace, expressions of appreciation.

Predictive analytics can highlight patterns such as teams trending down in recognition or engagement, providing managers with proactive nudges rather than reactive reports. This combination turns recognition from an ad-hoc task into a guided, low-friction leadership habit.

AI-driven engines can help recommend tone, channel and timing to reflect organizational values and personal preferences.

Personalized surveys can aggregate each employee's stated preferences to reflect cultural norms and individual comfort zones.

Predictive analytics can detect evolving preferences and fatigue with certain reward types, helping HR and managers continuously adapt recognition so it feels respectful, relevant and genuinely motivating.



## Recognizing Personal Preferences



## Ensuring Fairness, Equity & Consistency

AI can help surface hidden bias by monitoring recognition frequency, sentiment and reward values across demographics, roles, and locations.

Personalized surveys can aggregate each employee's stated preferences, ensure that criteria remain role-appropriate while maintaining standardized, transparent guidelines.

Predictive analytics can flag emerging inequities, such as when certain groups receive less specific or lower-value recognition, so that HR can intervene quickly. Over time, these insights can guide manager training, policy updates and governance, promoting consistent, equitable recognition experiences for all employees, not just squeaky wheels.

Recognition platforms enriched with AI and predictive analytics can move beyond current metrics. When informed by other internal systems, they can correlate recognition patterns with engagement scores, retention, performance and DEI outcomes, showing which behaviors and campaigns drive real business impact.

Personalization tags can reveal which messages and rewards resonate with different segments, aiding in the curation of employee rewards catalogs.

Predictive models can forecast risk areas and estimate the ROI of targeted recognition strategies. HR leaders access business intelligence dashboards, executive-ready narratives and data-backed recommendations to refine and justify investment decisions.



## Documenting Program Effectiveness for Leaders

## RISK:

# Technology Risks, Adoption & Governance Issues

AI-powered recognition promises powerful gains, but it also introduces new risks HR leaders cannot ignore. From data privacy concerns to algorithmic bias and change fatigue, missteps can undermine employee trust and damage culture. This section explores the technology challenges and considerations that accompany innovation and how to navigate them thoughtfully to unlock sustainable value.

RISKS	MITIGATIONS
<b>Data Privacy, Ethics and Employee Trust</b>	As AI tools analyze communication patterns, performance data and engagement signals, many employees worry about being constantly monitored or reduced to data points. Perceptions of surveillance or over-engineering human moments can erode trust and psychological safety. HR must partner within the organization to clearly articulate which data is used, why and with what safeguards to design recognition experiences that enhance—not replace—genuine human connection and managerial judgment.
<b>Bias in Algorithms</b>	Recognition algorithms can unintentionally mirror existing workplace inequities. If models rely on incomplete or skewed data, such as who speaks up most in meetings or is most visible on collaboration platforms, they may consistently suggest the same people for recognition. HR teams must scrutinize inputs, monitor outcomes by demographic and create governance to ensure AI surfaces diverse, often overlooked contributions.
<b>Change Management and Adoption</b>	The effectiveness of AI-enabled recognition depends on how leaders actually use it. Without clear guidance, managers may ignore insights, apply them inconsistently, or lean on them as a crutch. Organizations must invest in training that emphasizes ethical use, contextual judgment and coaching behaviors, while reinforcing expectations that AI augments—rather than replaces—meaningful, human-led recognition practices.

RISKS	MITIGATIONS
<p><b>Integration Complexity</b></p>	<p>AI-driven recognition rarely operates in isolation. It must connect with HRIS records, performance management systems, collaboration tools and existing recognition platforms to deliver useful insights. Poor integration can create data silos, inconsistent experiences and administrative burdens. HR and IT need a clear integration strategy, robust APIs and governance to ensure data quality, security and a seamless user experience.</p>
<p><b>Avoiding Inauthentic Messages</b></p>	<p>Automated nudges and AI-generated kudos can easily tip into noise if not designed carefully. Employees quickly recognize generic, templated praise and may disengage from the entire program. HR should ensure that AI support for messaging is delivered via coaching prompts rather than cut-and-paste options and set guardrails that favor suggestions over auto-sending, encourage managers to personalize language, and prioritize quality over quantity so recognition feels earned, specific and authentic.</p>
<p><b>Establishing Governance</b></p>	<p>Effective AI-powered recognition requires more than good tools. It demands clear governance. HR, IT, legal and business leaders should form a cross-functional council to define the purpose of AI in recognition, approve use cases and establish guardrails for data use, privacy and ethical boundaries. This group should set standards for model evaluation, bias monitoring and vendor selection, and define accountability for issues as they arise. Regular audits, transparent reporting to employees and clear escalation paths ensure that AI remains aligned with organizational values and that recognition practices evolve responsibly over time.</p>

**Access to Enterprise Data:** The extent to which the use cases discussed on pages 5 and 6 will materialize depends on the levels of access to enterprise data granted to recognition partners incorporating agentic or generative AI into their platforms. Absent such access, progress toward achieving the use case goals can be achieved, albeit to a lesser degree, by relying on information and data generated within the recognition platform.

# Key Takeaways & Additional Information

The Trendicators research division of the E2E group of companies conducts roundtable discussions with members of the Trendicators Advisory Council to inform our research and best-practice reports. For this report, we spoke with council members responsible for employee recognition at Amtrak, Tufts Medicine, Aflac, Emory Healthcare and Canada Post to understand their priorities and challenges in improving program effectiveness.

## **Top priorities identified in the roundtable discussions included:**

- Providing more granular insights for leaders on program effectiveness and areas for improvement to increase business value
- Making it easier for managers and peers to give authentic, meaningful and timely recognition
- Improving the personal relevance and appeal of recognition and rewards by better understanding individual preferences, behaviors, achievements, roles, responsibilities and aspirations
- Using analytics to more closely align recognition programs with business objectives related to engagement, performance and retention

These priorities, along with extensive research by our solution development team and guidance from Dr. Charles Scherbaum, Chief Analytics Officer at Engage2Excel Group, shaped the goals, use cases and risk analysis presented in this report.

This eBook illustrates what's possible today when organizations align their strategic goals for improving employee recognition with modern technologies. The examples provided are potential applications, not a technical blueprint or implementation guide.

## **THE CURRENT STATE OF AI ADOPTION**

**AI in Employee Recognition:** Like many sectors, employee recognition is in the early stages of AI adoption. Leading platforms offer AI-enabled support for message coaching, analytics and reporting. Most platforms today still rely on some combination of rule-based automation, structured database reporting, and API-driven integrations to manage workflows and analytics. Core technologies include robotic process automation, traditional BI dashboards, workflow engines, and SQL-based analytics, which require manual programming for automation and insights.

**AI Adoption in HR:** According to early 2026 research by the Society for Human Resource Management (SHRM), AI adoption in HR has shifted from experimentation to active, yet cautious, integration, with 43% of organizations now leveraging AI for HR tasks, up from 26% in 2024. While recruitment (specifically generating job descriptions and screening resumes) is the dominant use case, only 17% of HR professionals consider their AI implementation “highly successful”. The current focus is on combining AI with human intelligence, with 50% of HR responsibilities expected to be AI-augmented or automated.

**Leading Sectors in the Adoption of Agentic AI:** According to McKinsey & Company, the financial services, retail, healthcare, manufacturing and logistics sectors are leading the adoption of Agentic AI, integrating autonomous, multi-step workflows into enterprise systems to boost efficiency. Key applications include automated fraud detection, personalized retail experiences, predictive maintenance and supply chain optimization. These sectors are leveraging AI to reduce transaction costs and improve decision-making.

### GLOSSARY

The following definitions are provided to clarify the key technologies referenced throughout this publication.

**Generative AI** is a type of artificial intelligence that creates new content, such as text, images, video, audio or code by learning patterns from training data.

**Agentic AI** refers to advanced AI systems capable of autonomous action, including planning, decision-making and executing multi-step tasks with minimal human oversight, often through AI agents that interact with environments or tools.

**Hyper-Personalization** is the use of AI to deliver highly customized experiences, recommendations or services tailored to individual preferences, behaviors and needs at scale, enhancing engagement and loyalty.

**Predictive Analytics** involves AI techniques to analyze historical and real-time data, forecasting future outcomes, trends or behaviors to inform decisions across different parts of an organization.

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## About Hinda Incentives

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