The Definitive Guide to

People Analytics

THE JOURNEY TO SYSTEMIC BUSINESS ANALYTICS

the joshbersin company

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Introduction

People analytics—the domain and function that involves collecting, analyzing, and deriving insights from people data—has existed for decades. Originally, companies used basic reporting tools to analyze HR metrics like headcount, turnover rates, span of control, and training spend. While useful, these measures rarely influence actionable business decisions.

Over the past two decades, people analytics has evolved into a profession staffed with data scientists, industrial psychologists, AI experts, and organizational and behavioral science experts. This was driven by two factors: the tremendous growth in data coupled with the accelerating role of human capital in business success.

Today, 3 in 4 companies have a dedicated people analytics team, 73% invest in people analytics technology, and 69% of managers use people data to make business decisions. But is this investment paying off? What's the impact on real business problems? How effective is it in improving company performance?

From People Analytics to Systemic Business Analytics

While technical capabilities have made it easier to aggregate, clean, analyze, and present data, people analytics teams often struggle to directly impact the business. As the people analytics leader of a global technology company explained, "The worst outcome is spending months on an analysis, and the response is: 'That's interesting.'" Often, those in a position to take action ignore "interesting analyses."

Our research shows that highly mature companies operate as "business consultancies," studying data about their organization, correlating it to a variety of business measures, and continuously coming up with new ideas for improvement. These high-performing companies invest in data quality and tools, but moreover in business skills, challenging their analytics teams to dig into problems, learn to tell stories that resonate, and hold themselves accountable for results.

Defining Systemic Business Analytics

"Systemic business analytics" integrates people, operational, work, and sales data to address a company's most critical business problems. It leverages AI-powered analytics technology to democratize insights, making them accessible across the organization. Using this method, companies adopt a pragmatic approach that fosters a data culture, promotes action-taking, and continuously grows analytics capabilities.

In this Definitive Guide, we explore what we call "systemic business analytics," which expands people analytics from an academic, research-focused HR discipline to a pragmatic, action-oriented business function aimed at prioritizing, quantifying, and solving the most pressing business problems. This approach allows companies to move from reactive reporting to proactive problem-solving by addressing critical questions such as:

- Where should we open new facilities?
- How do we fill skills gaps and build leadership pipelines?
- What organizational changes are needed to boost productivity and innovation?
- What differentiates the most successful store managers from less successful ones?
- How do we proactively prevent strikes or work stoppages?

By answering such questions and bringing actionable insights to the right stakeholders, people analytics teams can expand their impact well beyond the HR function to strategic and operational use cases.

The Impact of Systemic Business Analytics

Systemic business analytics significantly impacts business, people, and organizational outcomes (see Figure 1 on the next page). Companies that excel in this area are much more likely to exceed financial targets, achieve high levels of workforce productivity and engagement, innovate, and adapt well to change.

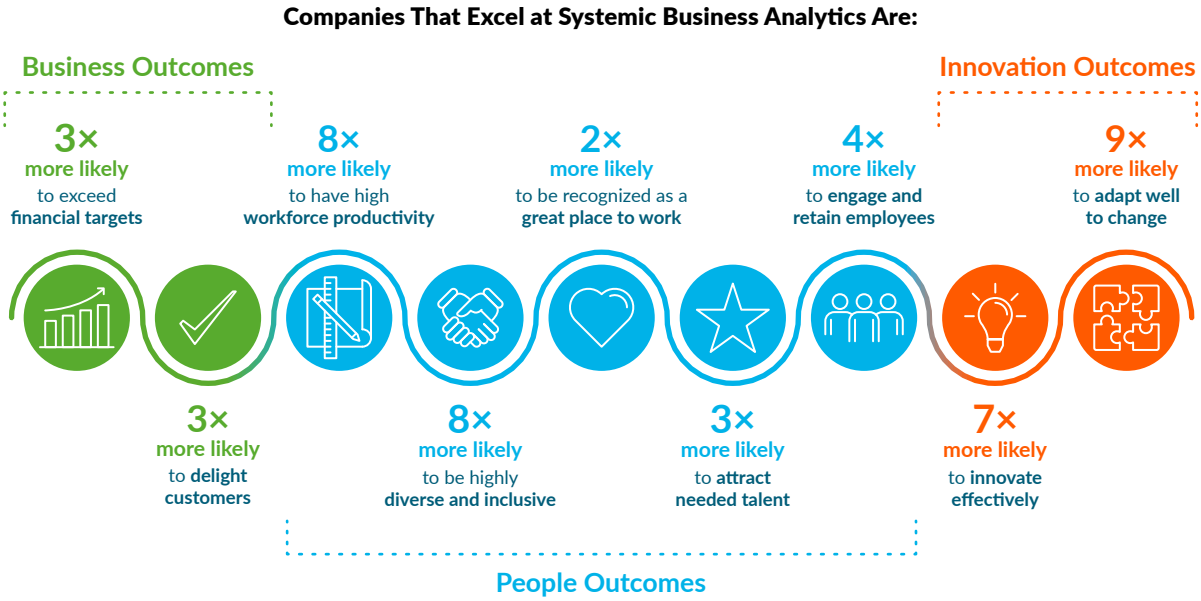
Only about 10% of companies have evolved their people analytics approach into a systemic business analytics team, giving business leaders useful, proactive information to improve the company's performance. Around 15% are performing "systemic people analytics," looking at how various people investments impact each other (e.g., improving culture, engagement, retention, and skills development).

Success depends on blending the right culture, technology, and skills. Organizations must cultivate a data-driven mindset and democratize access to data so leaders can leverage real-time insights to make informed decisions. Finally, adopting advanced analytics technologies using AI and predictive models is crucial for scaling insights and driving business impact.

We hope this research helps you to use data and analytics to "superpower" your organization in the areas most relevant to your business success.

FIGURE 1

The Impact of Systemic Business Analytics



Source: The Josh Bersin Company, 2024

About This Definitive Guide

This Definitive Guide offers a roadmap for organizations at every stage of their people analytics journey. Whether your company is just beginning to standardize HR metrics or leveraging advanced analytics to drive business decisions, this study provides practical guidance on advancing to the next level.

Included in this guide are the following sections:

- **Part 1: The Systemic Business Analytics Framework** defines the elements and dimensions of people analytics within an organization, providing a clear picture for HR, people analytics, and business leaders to navigate the fundamentals and strategies. A heatmap helps prioritize approaches and actions with the most impact.
- **Part 2: The Systemic Business Analytics Maturity Model** describes the journey to systemic business analytics, helping organizations understand their analytics maturity level and how to advance to the next level.
- **Part 3: Key Findings** outlines our key research findings on what matters most in the world of people analytics, providing key insights into the importance of systemic business analytics and how organizations can navigate toward it.

PART 1

The Systemic Business Analytics Framework

In Part 1, we explain our Systemic Business Analytics Framework and its corresponding elements and dimensions, provide a heatmap of the dimensions that matter most, and identify the essential practices with the highest impact on outcomes.

Key Insights

- People analytics is a discipline that incorporates reporting, analytics, data management, organizational problem-solving, democratization of insights, data-based storytelling, and a data-driven culture.
- Our Systemic Business Analytics Framework provides a roadmap of 5 fundamental elements and 19 dimensions to consider for the journey to business impact with analytics.
- The most successful companies go beyond just analyzing HR data; they start with business problems and put pragmatic actions in place to solve them.

Our Systemic Business Analytics Framework (see Figure 2) is designed to clarify the components, approaches, and business practices that the most successful companies use. It serves as a clear roadmap for HR professionals to ensure they have all the building blocks in place as they scale their analytics practices.

FIGURE 2

The Systemic Business Analytics Framework

Data Management and Operations	Analytical Capabilities	Data Culture	People Analytics Innovation
Diverse data sources	Employee-centric analytics	Continuous employee listening	People analytics communities
Data quality and governance	Predictive modeling	Data-driven decision-making	Experimentation and prototyping
Data privacy and access	Integrated analysis of people and work data	Data literacy	Scaling innovative practices
People analytics operating model	Data storytelling and democratization	DEI activation	Ethical AI and bias mitigation

Next-Generation Analytics Technology

Real-time data exchange	Dynamic data storage and access	Integration of disparate data sources

Source: The Josh Bersin Company, 2024

Data Management and Operations

Data is the foundation of people analytics. Dedication to upholding the highest standards of data stewardship ensures integrity by establishing a strong and highly efficient data ecosystem. Data policies need to align with evolving privacy regulations while enabling the ethical and transparent use of HR and work data across the organization. Robust, data-driven partnerships between the people analytics team and business units further support operational excellence and empower strategic decision-making. The following dimensions comprise this element.

Diverse data sources

Combining a variety of data sources from both within and outside of the organization (e.g., skills and labor market trends, job role hierarchies, and sales data) in a trustworthy and seamless way greatly empowers data-driven decision-making for impact.

Data quality and governance

Effective people analytics teams conduct rigorous data quality assessments, safeguard sensitive HR data against potential breaches, and establish a data governance model that ensures data quality and protection.

Data privacy and access

Up-to-date data privacy and access policies ensure compliance with ever-evolving data privacy regulations and reinforce trust and integrity in people analytics, protecting the organization and its employees with standards for accountability and ethical data management.

People analytics operating model

The people analytics team needs to collaborate with key business leaders, HR function leads, IT, finance, sales, and senior executives, consulting with them to identify the right problems to work on and influence action-taking.

Analytical Capabilities

Having the right data is essential, but analyzing the data to gather meaningful insights is critical. This requires more than technical analytical skills; it also involves effectively communicating findings and driving actions. Success relies on combining internal and labor market data to deliver personalized and equitable solutions across all systemic HR™ strategies, guided by the Four R Framework™ (recruit, reskill, retain, redesign).[1] Leveraging predictive algorithms and methodologies helps the organization strategically position itself for future growth and transformation. This element's dimensions follow.

Employee-centric analytics

By collecting and analyzing data down to the employee level, analytics can be used to enhance the employee experience (e.g., pay equity, learning experience, health, and wellbeing). It also provides a user-friendly way for employees to view and manage their own data.

Predictive modeling

Using predictive models in workforce planning to simulate various labor market scenarios allows organizations to develop strategies that address potential skills gaps. This approach helps organizations become more dynamic, significantly boosting innovation and change adaptability.[2]

Integrated analysis of people and work data

Combining people data (e.g., headcount, skills, employee demographics, learning data) with operational data (e.g., sales, manufacturing, customer service) helps uncover correlations between employee behaviors and business outcomes.

Data storytelling and democratization

Democratized access to real-time dashboards, combined with storytelling capabilities, makes data-driven narratives a regular practice, which supports better decision-making. Leading companies like Providence and Panasonic use dedicated physical and digital spaces for storytelling to support this process.

Data Culture

To drive impact, analytics need to be embedded in all aspects of the company, from establishing real-time feedback loops to adapting strategies on the fly to gauging the organization's pulse through AI-powered sentiment analysis. Creating a data-driven culture includes enabling data-driven decision-making; creating continuous feedback loops; building data literacy in HR, managers, and employees; and promoting an inclusive culture through analytics. The following dimensions comprise this element.

Continuous employee listening

Ongoing listening and feedback loops ensure that employees' voices are incorporated into the solutions. This approach goes beyond traditional employee surveys, evolving to what we call "employee activation"—an ongoing dialogue between employees and the organization to solve operational, customer, and strategic problems.

Data-driven decision-making

Data-driven decision-making needs to start at the executive level, cascade into HR strategies (supported by insights from pilots, experiments, and projects), and scaled through using data stewards to champion the use of data across the organization.

Data literacy

Effective organizations provide comprehensive training programs, rotations, mentoring, and projects for HR, leaders, managers, and employees to develop data literacy skills.

DEI activation

Continuously monitoring diversity, equity, and inclusion (DEI) metrics helps organizations effectively adapt and refine their DEI initiatives, from hiring and talent development to pay structures, rewards, and career advancement opportunities.

People Analytics Innovation

Continuous innovation includes establishing active communities of practice that share ideas and successful analytics approaches with the entire organization, conducting real-time experiments and creating prototypes for new processes, looking for creative ways to address operational barriers, and harnessing advanced tools such as AI and machine learning to improve the impact of analytics. The following dimensions comprise this element.

People analytics communities

People analytics communities (e.g., hackathons, incubators, industry, or academic partnerships) are an effective way to share real-time insights and achievements and stay updated on new trends and best practices.

Experimentation and prototyping

To solve real business problems, companies should assemble cross-functional teams with data scientists, HR professionals, and business experts to design prototypes around data analysis and insights generation and use A/B testing and simulations before implementing solutions.

Scaling innovative practices

Once best practices are identified, the focus shifts to rapidly scaling them from pilots to enterprisewide adoption. This process involves leveraging advanced tools (such as machine learning and AI) where needed.

Ethical AI and bias mitigation

Innovative people analytics teams use AI to identify trends, analyze data, predict outcomes, and drive ethical action-taking, putting the "human in the loop." This approach ensures responsible and thoughtful decision-making.

Next-Generation Analytics Technology

Effective analytics cannot be done manually. Companies need a technology architecture and infrastructure that supports the integration of HR, business, and internal and external data in real time while also dynamically controlling access. Note the following dimensions.

Real-time data exchange

Real-time data exchange ensures the immediate transfer and updating of data between systems without delay. When data is updated in one system, it's simultaneously reflected across all connected systems and keeps dashboards up to date.

Dynamic data storage and access

To support cross-system analytics, all data should be centralized, preferably in a data warehouse, with storage infrastructure designed to handle large volumes of data. This setup facilitates immediate access to critical data as needed and significantly accelerates analytics projects and dashboards.

Integration of disparate data sources

Seamless data integration connects disparate systems such as human capital management (HCM), enterprise resource planning (ERP), customer relationship management (CRM), and applicant tracking systems (ATSs). For example, data from employee skills databases, financial forecasts, and performance metrics can be aggregated to support strategic workforce-planning decisions.

The Dimensions That Matter Most

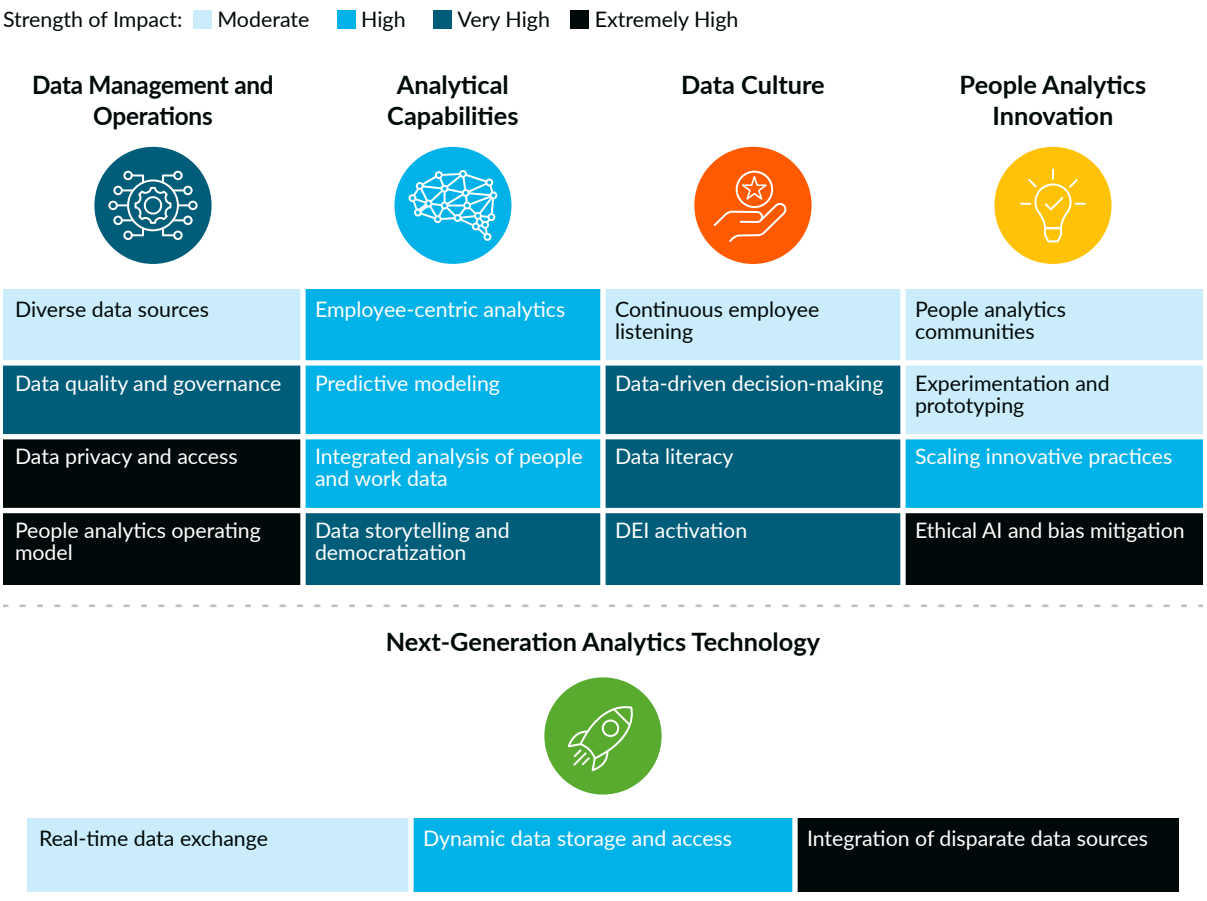
All dimensions of the Systemic Business Analytics Framework matter, but not all carry the same significance. We analyzed these dimensions and practices in correlation with the following outcome categories:

- **Business outcomes:** exceptional financial performance and high customer satisfaction
- **People outcomes:** workforce productivity, talent attraction, employee engagement and retention, a sense of belonging, and a great place to work
- **Innovation outcomes:** superior change adaptability and effective innovation

We compared the impact of each of the 19 dimensions relative to each other and created a heatmap of impact, where darker color signals higher impact (see Figure 3). Dimensions in the darkest color are most differentiating, while lighter colors indicate these dimensions are table stakes.

FIGURE 3

The Dimensions That Matter Most for Systemic Business Analytics



Source: The Josh Bersin Company, 2024

The four dimensions that most differentiate high-performing people analytics functions (black color above and *italicized* below) reveal several key insights.

- *Integration of disparate data sources* is foundational to systemic business analytics. Expanding beyond HR or people data to include talent intelligence, skills insights, operational data, work data, and sales intelligence is essential. All these data sets must be integrated with dedicated next-generation analytics technology to yield actionable insights.
- A focus on *data privacy and access* is crucial. Transitioning toward systemic business analytics requires empowering every leader and stakeholder to access the data and analytics needed to make better business decisions. Data privacy and access rights are key to facilitating this.
- A *systemic people analytics operating model* helps prioritize the most important problems. For systemic business analytics to address critical business challenges like M&A integration, sales effectiveness, or team productivity, the people analytics team needs to work across company silos and organizational boundaries, serving as a consultant and change agent.
- *Ethical AI and bias mitigation* scale systemic business analytics and improve insights. When companies use AI ethically—mitigating bias and putting humans in the loop—the impact of systemic business analytics is multiplied. This approach expands beyond the most data-savvy analysts, enabling every leader, manager, and individual in the company to interpret insights and nudging people to take the right action.

The 15 Essential Practices

Going deeper into the specific practices in each dimension, we identified 15 essential practices (out of the 62 in our people analytics survey) that have the highest impact (see Figure 4 on the next page). These practices disproportionately impact outcomes, including financial performance and customer satisfaction, innovation, and people success. Several practices (*italicized* below) make a big impact on the effectiveness of people analytics if executed well.

Focusing on Data Quality

Managing, cleaning, and using data ethically is paramount. Leading companies *ensure HR data is used transparently*, *continuously update data access policies to meet evolving privacy regulations*, and *conduct data-quality assessments to ensure high-quality data for people analytics purposes*. By prioritizing these practices, organizations build a strong data-driven foundation of trust and reliability, essential for informed decision-making. As highlighted in our research on dynamic organizations, leading companies work diligently to ensure they have the right governance, trustworthy data, and strong analytics to make real-time data-informed decisions.[3]

Prioritizing the Most Important Problems

Equally important is the ability of the people analytics team to consult with their business leaders and identify the right problems. When teams *work closely with the CHRO to solve business problems*, the team members become trusted advisors, combining a deep understanding of the business with analytical insights to drive meaningful conversations. This ensures that the analytics function not only focuses on producing reports but also on diagnosing issues that directly impact the organization's strategy and operations. As noted in our research on systemic HR™, when the HR function emphasizes problem-solving, business success translates into the function's success.[4] When silos around data and insights sharing are dropped, employees rally around shared goals, coordinating efforts to maximize outcomes.[5]

FIGURE 4

The 15 Essential Practices for Systemic Business Analytics

	Practice	Dimension	Element	Relative Impact
1	Ensure HR data is used ethically and transparently.	Data privacy and access	Data Management and Operations	EXTREMELY HIGH
2	Work closely with the CHRO to solve business problems.	People analytics operating model	Data Management and Operations	
3	Continuously update data access policies to meet evolving privacy regulations.	Data privacy and access	Data Management and Operations	
4	Provide strategic recommendations and tailored solutions to business units.	People analytics operating model	Data Management and Operations	
5	Combine people and business data to tell meaningful business stories.	Data literacy	Data Culture	
6	Become trusted consultants to business units.	People analytics operating model	Data Management and Operations	
7	Have a defined model for pay equity analysis based on detailed data and analysis.	Employee-centric analytics	Analytical Capabilities	
8	Take a structured approach to sharing people analytics insights.	Scaling innovative practices	People Analytics Innovation	
9	Conduct data-quality assessments to ensure high-quality data for people analytics purposes.	Data quality and governance	Data Management and Operations	
10	Establish strong affiliations with business units across the organization.	People analytics operating model	Data Management and Operations	
11	Utilize people insights to make decisions that impact the future of the business.	Data-driven decision-making	Data Culture	
12	Foster strong data-driven partnerships with leaders in various business units.	People analytics operating model	Data Management and Operations	
13	Forge HR strategy on data insights from previous pilots, experiments, and projects.	Data-driven decision-making	Data Culture	
14	Conduct frequent deep-dive data analyses that drive decision-making.	Data literacy	Data Culture	
15	Ensure high-quality people analytics data is exchanged between systems.	Real-time data exchange	Next-Generation Analytics Technology	VERY HIGH

Source: The Josh Bersin Company, 2024

Orienting Toward Action

Translating these insights into action is the next critical step. When teams can *provide strategic recommendations and tailored solutions to business units* and *take a structured approach to sharing people analytics insights*, these practices ensure that data isn't just collected but used to fuel progress. High-performing companies focus on making their analytics actionable because they *utilize people insights to make decisions that impact the future of the business*. As our Employee Experience research emphasizes, companies that combine advanced people analytics and action-taking are 6.7 times more likely to manage change effectively and 7.7 times more likely to innovate.[6] In high-performing organizations, people analytics teams "fall in love with the problem" (and not the solution) and use data and analytics to prioritize, quantify, evaluate, predict, and nudge action.[7]

Thinking Globally, Acting Locally

People analytics should not focus solely on enterprisewide strategies. Localized solutions are crucial for addressing the unique challenges different business units face. When the function can *establish strong affiliations with business units* and *foster strong data-driven partnerships with leaders in various business units*, they can then enable teams to tell the right stories and solve the right problems. This tailored approach ensures that analytics are grounded in the realities of each department while still aligning with broader business goals. As Giancarlo Palà, Global Head of IT HR at Nestlé, stated, "We've always had this dimension of how we support local, regional, and global business models and still drive some level of standardization, simplification, and sharing, which is the center of scaling power to the next level. That was translated into the HR transformation."[8]

Safeguarding Trust

People data technology must be designed and governed to fit the work and functions of both managers and employees.[9] With the pervasive use of AI, companies must be particularly vigilant about the ethical and transparent use of HR data. It's not just about who has access to the data; it's also about continually ensuring its quality and relevance. Businesses must *combine people and business data to tell meaningful business stories* and *conduct frequent deep-dive data analyses that drive decision-making*. This means continuously refining data-access policies, conducting thorough assessments, and *ensuring high-quality people analytics data is exchanged between these systems.* High-performing companies understand that the power of AI is only as strong as the integrity and quality of the data driving it.

Conclusion

The Systemic Business Analytics Framework offers a roadmap for understanding how data, people, culture, capabilities, and technology can be leveraged to drive business outcomes. It's not just about reporting metrics; instead, it's about building an ecosystem where data is central to decision-making, collaboration, and continuous improvement.

Ultimately, achieving excellence in people analytics is an ongoing journey. It requires consistently refining processes, upskilling teams, and leveraging the right tools to stay ahead of the curve. The most successful organizations view people analytics as more than just a function—they see it as a critical driver of business transformation and long-term success.

PART 2

The Systemic Business Analytics Maturity Model

In Part 2, we explain our four-level maturity model, indicate the percentage of companies at each level, describe which outcomes improve most as organizations advance to the next levels, and identify specific steps HR departments can take to advance their maturity, wherever they are on the journey to systemic business analytics.

Key Insights

- Two out of five surveyed companies are still working primarily on reporting, with 3% saying they do not conduct any analytics. Small and midsize companies (500 to 10,000 employees) are generally less mature than larger companies (10,000+ employees). Industries facing continuing disruption (e.g., professional services, technology) tend to be more mature.
- As companies mature to embrace systemic business analytics, their focus evolves from measuring HR efficiency to solving business problems.
- Only 10% of surveyed companies have achieved the highest level of maturity, working closely with C-level stakeholders and leveraging talent intelligence and AI to inform strategic decisions.

For most companies, people analytics maturity is still in the early stages of development, especially in how organizations leverage predictive and insights-oriented strategies. Many still focus on basic reporting and data consolidation, often relying on leaders' gut feelings to make decisions.

Some companies still rely on manual data collection and spreadsheets, resulting in inconsistent and fragmented datasets. In these cases, decision-making is primarily reactive, based on historical trends. Additionally, some organizations still lack dedicated people analytics teams and invest minimally in related technology, emphasizing compliance over strategic, data-driven decision-making.

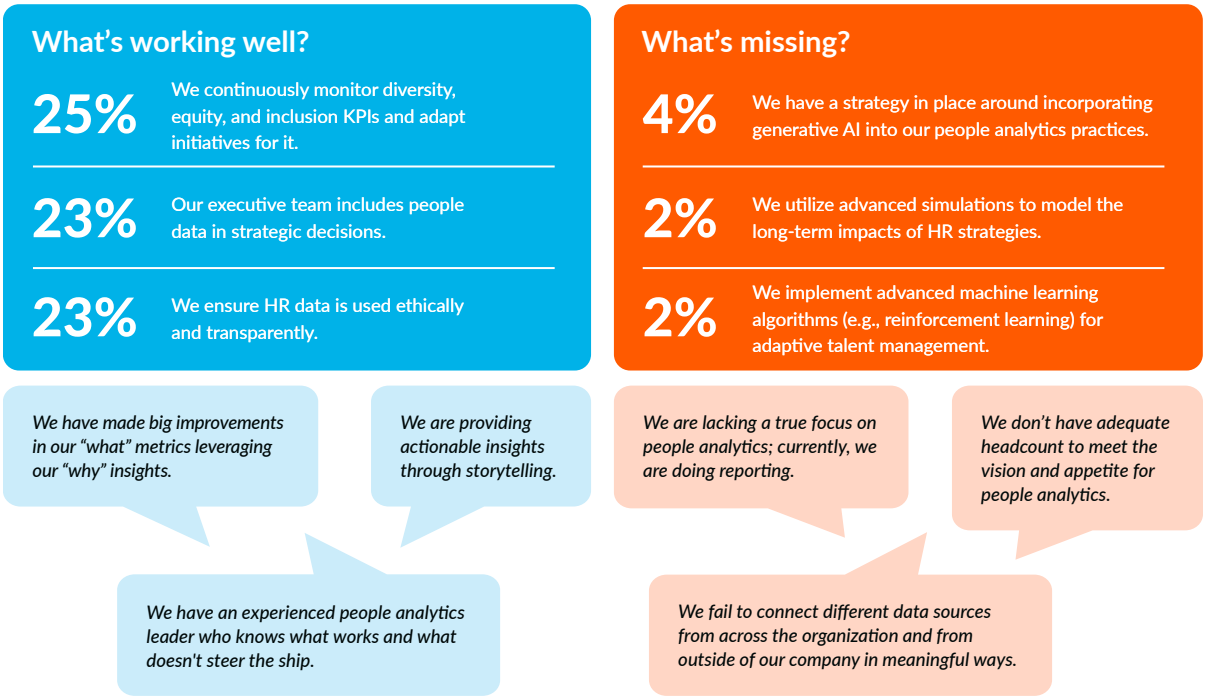
We asked business and HR leaders about 62 practices across the 5 elements and 19 dimensions of our Systemic Business Analytics Framework and elicited open-ended responses about their current progress in people analytics (see Figure 5 on the next page). Based on quantitative survey responses from 469 organizations across 50 countries, we can report that most organizations operate with a people analytics approach that is HR-focused rather than business-oriented.

What's Working: Understanding the Business

The good news is that executive teams are increasingly recognizing the value of people data, with one in four including it in their decision-making. The people analytics team is headed by leaders who are well-equipped to understand the business. Additionally, 25% of companies actively monitor DEI key performance indicators (KPIs) and respond accordingly, while 23% ensure HR data is used ethically and transparently. HR teams also use storytelling to provide actionable insights, moving beyond "what" metrics and leveraging "why" insights to paint a fuller picture.

FIGURE 5

Strengths and Opportunities for People Analytics Excellence



Note: Values indicate percentage of surveyed companies.
Source: The Josh Bersin Company, 2024

What's Missing: Taking Action

There is a notable gap in the use of systemic analytics, advanced technology, and innovative approaches. Although people analytics leaders understand the business, the tools that would allow them to focus on the right challenges are lacking. For example, only 2% of companies leverage predictive models to anticipate future trends and respond more effectively to changing market conditions. Just 3% recommend actionable steps, and only 4% aggregate business and HR data. Relying solely on HR data without understanding the broader company context makes decision-making risky.

Also, only 4% of surveyed companies have strategies for incorporating AI into their analytics, which is another missed opportunity for gaining nuanced insights. Advanced capabilities like simulations of long-term HR impacts and machine learning algorithms for adaptive talent management are also underutilized, with just 2% adoption of each. These gaps reveal that there is still a long way to go to achieve true analytics sophistication.

The Incremental Progress of People Analytics

Companies are at various maturity levels in people analytics, with many in the early stages. In our discussions with HR and business leaders, several challenges come up, including low data quality and integration, shortage of skilled personnel, and cultural resistance to data-driven decision-making. When respondents were asked to describe their people analytics function using one word, most chose words like *average*, *evolving*, *progressing*, and *improving*, which signals they understand they are on a journey and have a willingness to grow (see Figure 6).

FIGURE 6

Describing Progress in People Analytics Using One Word

Source: The Josh Bersin Company, 2024

The Systemic Business Analytics Maturity Model

Where does your company stand on the path to people analytics excellence? Through our research and work with hundreds of companies around the world, we developed the Systemic Business Analytics Maturity Model to assess the maturity of their practices, evaluate their level of performance, and statistically cluster the practices into four groups (see Figure 7):

FIGURE 7

The Systemic Business Analytics Maturity Model

Source: The Josh Bersin Company, 2024

- **Level 1:** These companies perform poorly and typically have little to no expertise in people analytics, prioritizing reporting instead.
- **Level 2:** At this level, companies do some work in analytics, but the focus is operational and revolves around measuring and understanding HR.
- **Level 3:** These companies are more strategic, leveraging analytics to solve people problems and seeing some excellent outcomes and impact on people and productivity.
- **Level 4:** Companies at this level far outperform all others in business and innovation outcomes because they focus beyond HR, using analytics to solve organizational problems and drive business transformations.

Each level is built on the previous one, meaning Level 4 practices still include those from previous levels. As shown in our maturity model, the role of people analytics is gradually expanding beyond HR, becoming more pragmatic and action-oriented. While Level 1 organizations technically do not do analytics and are firmly stuck in reporting, Level 2 and Level 3 companies—half of respondents—have embraced analytics. However, only Level 4 companies actively use analytics to drive business transformation.

Level 1: Sporadic HR Reporting (40%)

At this level, companies focus primarily on reporting. Data is mostly gathered manually, and the main objective is to send accurate reports to stakeholders in a secure and timely manner. Most of these organizations leverage little to no analytics technology and generally have risk-averse cultures. HR teams often have limited analytics capabilities and no designated people analytics team. Instead, someone within HR monitors compliance metrics (e.g., headcount).

Level 1 is prevalent in retail, manufacturing, and consumer packaged goods, with over 50% of companies at this stage. One in three companies with 10,000 to 50,000 employees is at this level.

Level 2: Integrated HR Analytics (35%)

Level 2 organizations establish a people analytics team that reports directly to the CHRO (28%), the head of HR tech (17%), or the head of HR operations (16%). In most cases, the people analytics team has been around for a couple of years, tasked with understanding HR operations and improving efficiency. The team has some tech tools and calculates basic HR metrics such as headcount, span of control, and learning and development (L&D) utilization. The talent acquisition team is generally the first to adopt analytics, using data for metrics like time to fill. Employees can often access their own data, and managers have dashboards to support everyday decisions such as schedules and overtime.

Although these organizations add value to the HR function, they are missing the opportunity to impact broader people strategies or business problems through data-driven decision-making.

We find 35% of companies operate at Level 2, which has a prevalence of industries such as government and public services. Companies of all sizes are found at this level, with the highest percentage (30%) having 1,000 to 4,999 employees.

Level 3: Systemic People Analytics (15%)

Organizations at this level have shifted from focusing on operational HR analytics to shaping broader people strategies. Level 3 companies conduct deeper analyses of people data. The people analytics team reports to the CHRO (29% of respondents) or the head of HR tech (21% of respondents). The team is often tasked with integrating business and HR data for workforce planning (83%).

These organizations have established people analytics teams for four to five years (29%) and have been using a people analytics software solution for more than three years (42%), with a plan to increase the team's headcount (46%). The people analytics team leverages storytelling to make data more actionable and relatable. A heavy emphasis is placed on ensuring data is handled with transparency and integrity.

Companies at this level are experimenting with integrating business and HR data to solve problems like labor relations, leadership gaps, and career paths. Commonly tracked metrics at this level include turnover, retention, and internal mobility. However, some people analytics teams at this level get caught up in "interesting projects" and sophisticated analytical methods and fall into the trap of "analysis paralysis," where insights are generated but don't result in organizational actions.

Industries like financial services, insurance, and energy have stronger representation at Level 3, with nearly 40% of companies in these industries operating at this level. Additionally, one-third of organizations with 10,000 to 50,000 employees and one-fourth of companies with 5,000 to 10,000 employees are found at Level 3.

Level 4: Systemic Business Analytics (10%)

At Level 4, people analytics drives business transformation. These companies are action-focused, integrating all types of data across the organization to solve complex business problems such as location strategies, skills gaps, and productivity. In 42% of these companies, the people analytics team has been operating for over 10 years, with more than half (54%) reporting directly to the CHRO.

Most of these companies (85%) have invested in people analytics software for more than three years and leverage talent intelligence data and AI to remain highly aligned with business needs and strategic objectives. Their people analytics teams work directly with C-level executives, predict trends, and strategically guide business transformations that allow their companies to remain competitive.[10]

Fast-paced industries such as technology, healthcare, and pharma stand out at this level, with 20% of companies reaching Level 4. Industrial manufacturing, financial services, and professional services also show early signs of adoption. Overall, larger organizations (100,000+ employees) are more likely to be at this level (42%).

Why Excellence in People Analytics Matters

How do you advance from one level of maturity to the next? Where should you first focus, and how do you advance? We explore the answers to these questions in the following paragraphs.

Significant Improvement across Enterprise Outcomes

Business, people, innovation, and productivity outcomes improve as organizations mature their people analytics practices. Outcomes increase more at different transition points, so there is outsize value in advancing to a higher maturity level (see Figure 8 on the next page).

At Level 1, organizations primarily focus on reporting, which hinders their ability to achieve meaningful outcomes. Innovation and productivity are particularly weak, with only 12% excelling in these areas. While one in three companies meets its financial targets and delights customers, lacking a strategic focus keeps them stuck producing reports of little impact.

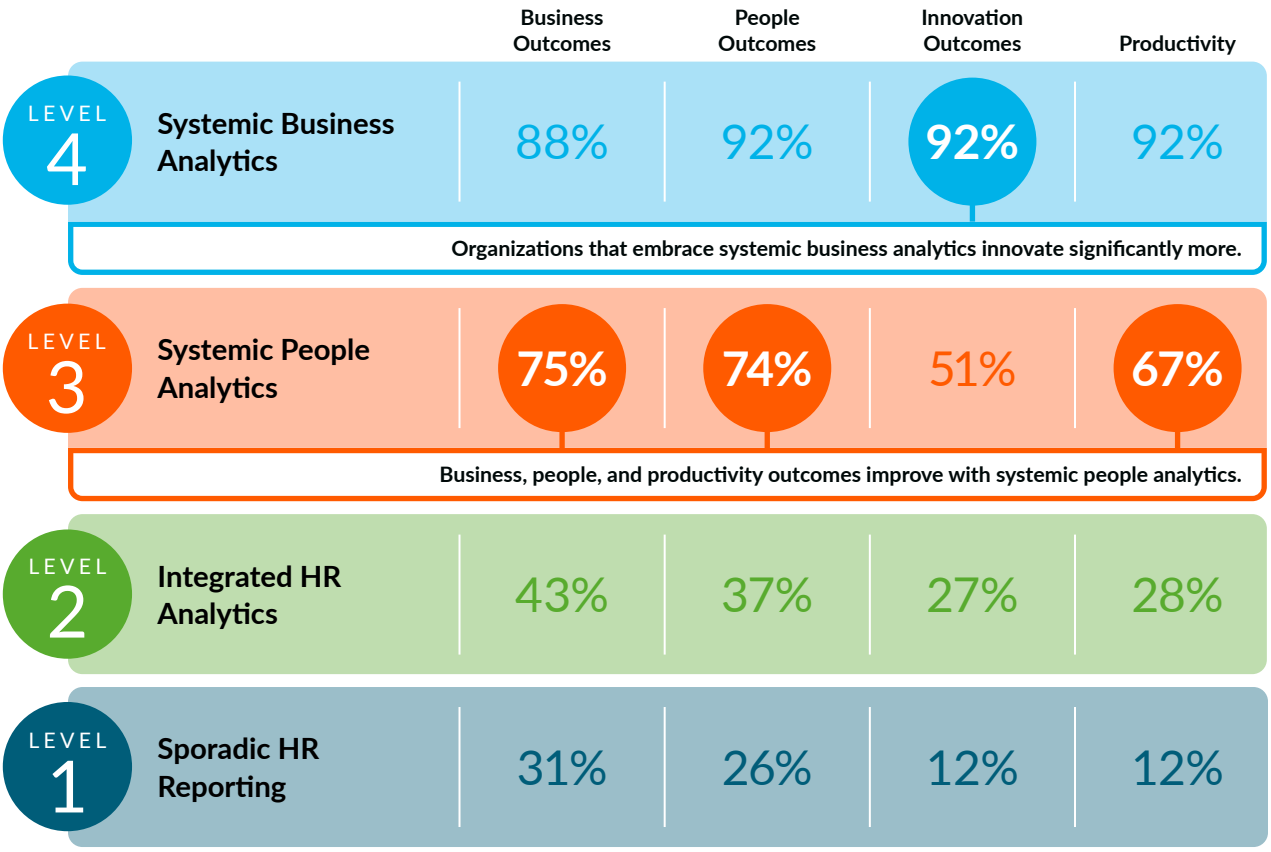
Advancing to Level 2 improves outcomes, but the impact remains low. At this level, 43% of companies meet their business targets, and more than twice as many achieve their productivity and innovation goals compared to Level 1.

A significant shift occurs at Level 3, where organizations transition to systemic analytics and broaden their focus beyond HR. At this level, 75% of companies achieve excellent business outcomes, a big improvement compared to Level 2. People outcomes improve by 47 percentage points from Level 2, with 74% of companies accomplishing high levels of productivity and 67% excelling in employee retention, engagement, and talent attraction.

When companies adopt systemic business analytics, all outcomes improve even further compared to Level 3, with innovation increasing by 41 percentage points.

FIGURE 8

Outcomes Improve Significantly at Higher Maturity Levels



Note: Percentage of organizations at each level that outperform and accomplish excellent outcomes. Highlights indicate the biggest jump from level to level.
Source: The Josh Bersin Company, 2024

When companies adopt systemic business analytics, all outcomes improve, with innovation increasing by 41 percentage points.

Advancing through the Maturity Levels

To move to the next level of maturity, companies first need to understand at which level they currently reside and which actions are most important to increase effectiveness. As these levels build on each other, this is a gradual process, and companies should not expect to skip levels. Working to increase maturity calls for informed decisions around why, when, who, and how insights are being used, powered by the right culture, technology, and governance.

Advancing from Level 1 to Level 2: Self-Service for Managers with Dashboards

Moving to Level 2 requires companies to establish a people analytics team and standardize data collection across HR. At Level 2, companies are transparent about how data is collected, used, and shared, which is essential for building trust within the organization. As a result, 41% of Level 2 organizations succeed at building diverse and inclusive companies, compared to only 12% of Level 1 organizations. Furthermore, more than half of Level 2 organizations achieve high levels of customer satisfaction and retention (54% vs. 34% at Level 1).

FIGURE 9

Moving from Level 1 to Level 2

What HR and Business Leaders Can Do	Examples
Build the people analytics team. Form a specialized people analytics team to help the company focus on gathering and analyzing data more efficiently. Standardize data collection processes across the organization to ensure accuracy and reliability in reporting efforts. This provides the clarity needed for better decision-making and improved insights into workforce metrics.	**Protective Life**, a financial services company that offers life insurance, annuities, and asset protection solutions, leveraged people analytics to improve the organization's focus on DEI and business unit leaders outside of HR with insights to help them better understand retention risks and drivers.
Use people analytics technology for manager and employee dashboards. Develop dashboards to give managers and employees real-time access to important HR metrics such as turnover, headcount, and engagement. Ensure these reports are regularly updated to track performance trends and respond swiftly to emerging issues.	**A large global technology company** provides 95 different dashboards to managers, ranging from headcount reporting to hiring insights and DEI metrics, reducing the need for the people analytics team to provide ad hoc reports and analysis.
Create a data dictionary and operationalize data privacy and ethics. Communicate openly about how you are using people analytics data and highlight its benefits to employees. Explain how data-driven insights can improve their work experience, from fairer promotions to better engagement strategies. Building transparency increases trust and encourages employees to engage more with data-driven initiatives.	Companies like **IBM** are transparent about what data they collect and how it is used to improve the workplace experience. For example, IBM collects and analyzes quantitative data from surveys and polls (including net promoter scores) and qualitative information from Slack threads and internal blog post comments.[11]

Source: The Josh Bersin Company, 2024

Advancing from Level 2 to Level 3: Expanding HR Analytics to People Analytics Projects

To move to Level 3, companies must establish a centralized people analytics team capable of taking on more complex projects. These organizations are now ready to start integrating data from different HR systems to make informed decisions about the HR strategy. They also now invest in advanced technology and tools to solve complex people problems, such as understanding organizational connections or evaluating remote work effectiveness.

The impact of moving to Level 3 is significant. While only 33% of Level 2 companies exceed their financial targets, a significant 74% of Level 3 companies do. Additionally, 87% of Level 3 companies are recognized as great places to work (compared to 46% at Level 2). Twice as many Level 3 companies can attract the talent they need (67% in Level 3 vs. 32% in Level 2) and accomplish high levels of productivity across all workforce segments (67% in Level 3 vs. 28% in Level 2).

FIGURE 10

Moving from Level 2 to Level 3

What HR and Business Leaders Can Do	Examples
Build consulting capabilities in the people analytics team and strengthen analytics skills in HR. A top development priority for HR is the ability to understand and use people data effectively.[12] Meanwhile, people analytics experts need to be able to forge strong relationships with business leaders and consult with them on all fronts—from using data to pinpointing the right challenges.	**Boehringer Ingelheim**, a pharmaceutical and animal health company, has upskilled recruiters to become data-driven consultative partners to the business. This approach aligns the talent acquisition process with the company's mission of delivering "value through innovation."[13]
Leverage advanced people analytics platforms to produce deeper, more nuanced insights. Use people analytics technology to conduct deeper analysis on retention, performance, management effectiveness, and inclusion drivers. Share data-based stories that resonate across different parts of the organization.	**Panasonic** leveraged Visier's people analytics platform to dive deeper into manufacturing shift productivity. The HR team demonstrated to managers that reducing the number of new hires per shift would improve productivity. Managers adjusted their hiring strategies based on the insights, leading to more balanced shifts, better training, and increased productivity in manufacturing operations.[14]
Partner with business leaders to develop a people strategy that drives action and results. Use data insights to solve more complex challenges related to employee engagement, productivity, labor relations, and leadership gaps. Regularly review these strategies with leaders to keep them dynamic and effective.	**Lowe's**, a home improvement company, analyzed store-by-store performance and correlated revenue against employee engagement scores. It found a direct correlation between employee engagement and store performance, particularly highlighting the critical role of the store sales leader. This led to a revamp of the sales training and assessment program to focus on building stronger skills among this group.

Source: The Josh Bersin Company, 2024

Advancing from Level 3 to Level 4: Leverage Internal and External Data for Business Transformation

To reach Level 4, companies must pivot from focusing solely on people analytics projects to using relevant business and HR data as key drivers of business transformation. This transition involves not just aligning people data with business metrics but also actively seeking insights across various internal and external datasets to unlock solutions to the most pressing business problems. In Level 4, the CHRO, CIO, CFO, and CMO ensure that any data barriers are lifted and insights flow freely across the organization.

To advance from Level 3 to Level 4, organizations must adopt an experimental mindset powered by predictive models to anticipate future trends and strategically guide the business. Level 4 organizations integrate labor market data with internal datasets to maximize decision effectiveness. All Level 4 companies are highly diverse and inclusive (compared to only 63% of Level 3 companies), and more than 90% achieve high levels of customer satisfaction, can adapt well to change, and innovate effectively.

FIGURE 11

Moving from Level 3 to Level 4

What HR and Business Leaders Can Do	Examples
Uplevel the people analytics team with capabilities in organizational development, change agility, and stakeholder influencing. Continuously seek insights from people data and other available datasets to solve the organization's critical business challenges. Focus on using data to drive business transformations, not just HR processes or people strategies. Prioritize a data-driven approach to identify emerging business needs and anticipate future demands.	CPG giant **Unilever's** people analytics team is tasked with standardizing data collection not just across HR but across the organization. This consistency in handling data provides Unilever with clear and actionable insights into workforce metrics, enabling better decision-making. Unilever's People Data Centre (PDC) also created the "Data for Good" team that allows its analysts space to spend 10% of their working week using their skills and knowledge to give something back to the broader world.[15]
Expand beyond internal data and drive a data culture. Combine internal data with labor market trends and industry insights to gain a comprehensive, systemic view of the organization. Use this integrated data approach to inform decisions that align people strategies with business goals while addressing broader market dynamics. Ensure that your data sources are diverse and regularly updated to reflect real-time changes in the business environment.	**Providence**, a large healthcare organization, needed to address high nursing staff turnover rates, which were impacting patient care and increasing recruitment costs. Using Visier's people analytics platform, the company integrated various HR and business data, including employee engagement surveys, turnover rates, patient care metrics, and compensation data. It identified patterns and correlations between nurse turnover and engagement levels, workload, and remuneration. This deep dive was granted to hospital managers to redistribute their workloads and make targeted employee experience and compensation adjustments, leading to improved nurse retention rates, better patient care, and reduced recruitment costs.[16]

Continued ▶

FIGURE 11

Moving from Level 3 to Level 4 *(Continued)*

What HR and Business Leaders Can Do	Examples
Use people analytics technology with embedded AI for real-time insights and decision support. Leverage predictive analytics and AI-powered solutions to move beyond descriptive reports into real-time forecasting and decision-making. Use these tools to model various business scenarios and proactively address future challenges. Equip leaders with AI-powered insights that support strategic planning and business innovation.	**BNY Mellon**, an American banking services holding company, utilizes an AI-powered talent intelligence platform to modernize its organization design, career paths, and internal mobility. By creating a modern skills taxonomy, the company deeply understands its skills landscape, guiding talent management and organizational decisions. The platform enables tailored career development and learning opportunities, aligning employee goals with company needs.[17]

Source: The Josh Bersin Company, 2024

Conclusion

The traditional focus of people analytics on HR-centric metrics is no longer sufficient. As industries are reshaped by digital transformation, talent shortages, and unpredictable economic forces, organizations must move beyond isolated people strategies and adopt a more integrated, business-focused approach.

Systemic business analytics represents this evolution. It is about more than just optimizing HR processes or tracking employee engagement. Instead, it's about harnessing data to address broader business challenges—from workforce planning to market strategy—through a pragmatic and action-focused lens. The demand for agility in decision-making is greater than ever, and businesses must be equipped with the tools and insights necessary to navigate an increasingly complex landscape. Systemic business analytics builds on systemic people analytics[18] by expanding the focus from HR issues to organizationwide transformations (see Figure 12 on the next page).

The traditional focus of people analytics on HR-centric metrics is no longer sufficient.

FIGURE 12

Traditional People Analytics vs. Systemic Business Analytics

Component	Traditional People Analytics	Systemic Business Analytics
Focus	HR metrics such as turnover, headcount, and employee engagement	Cross-functional business data; integrating insights from sales, marketing, finance, and HR
Data Sources	HR systems, employee surveys, and basic demographic data	HR systems; employee surveys; basic demographic data; sales, marketing, finance, operations, and customer data
Integration	Often siloed within HR, with limited integration across other business functions	Data is integrated from various business functions into a single, comprehensive system
Purpose	Improve HR processes and employee management	Drive strategic business decisions and enhance overall organizational performance
Tools and Tech	Basic people analytics tools and HR reporting mechanisms	Advanced analytics tools, AI, machine learning, and real-time data exchange
Analysis	Descriptive and diagnostic analysis of HR metrics	Multidimensional analysis of business performance, interdependencies, and future trends
Outcomes	Improved HR efficiency and employee management	Enhanced business performance, agility, and strategic decision-making
Use Case Examples	Tracking turnover rates, employee satisfaction, and surveys	Sales forecasting, financial planning, marketing optimization, operational efficiency, and productivity
Key Benefits	Better HR process management and basic insights into workforce dynamics	Comprehensive business insights, informed decision-making, and systemic solutions to business challenges

Source: The Josh Bersin Company, 2024

PART

3

Key Findings

In Part 3, we outline the six key findings of our research and highlight insights from our quantitative and qualitative research.

Key Insights

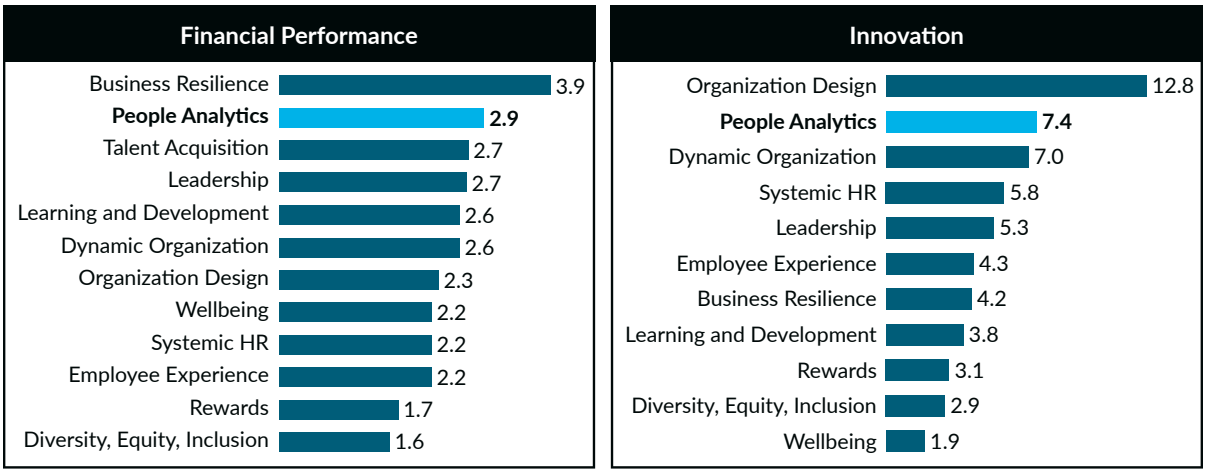
- Systemic business analytics integrates people, work, talent, and business insights to create tremendous organizational impact, yet 90% of surveyed companies struggle to implement it.
- High-performing organizations take a pragmatic, action-oriented approach to ensure they are solving the right business problems.
- AI-powered analytics and a data-driven culture that relies on simple, effective approaches are key to scaling business transformation.

1. People analytics has a significant impact on financial performance, yet only 10% of companies can tie data to systemic business issues.

Over the years, we have studied various HR domains, including talent acquisition, employee experience, L&D, pay and rewards, organization design, and DEI. When we analyzed the impact people analytics has on these outcomes, we found it has a significantly high effect on business performance, innovation, and change adaptability. In fact, people analytics ranks as the second most impactful area for financial performance and innovation, ahead of other HR domains like employee experience and L&D. However, it remains second in line after business resilience and organization design (see Figure 13).

FIGURE 13

Impact of Various HR Domains on Outcomes



Source: The Josh Bersin Company, 2024

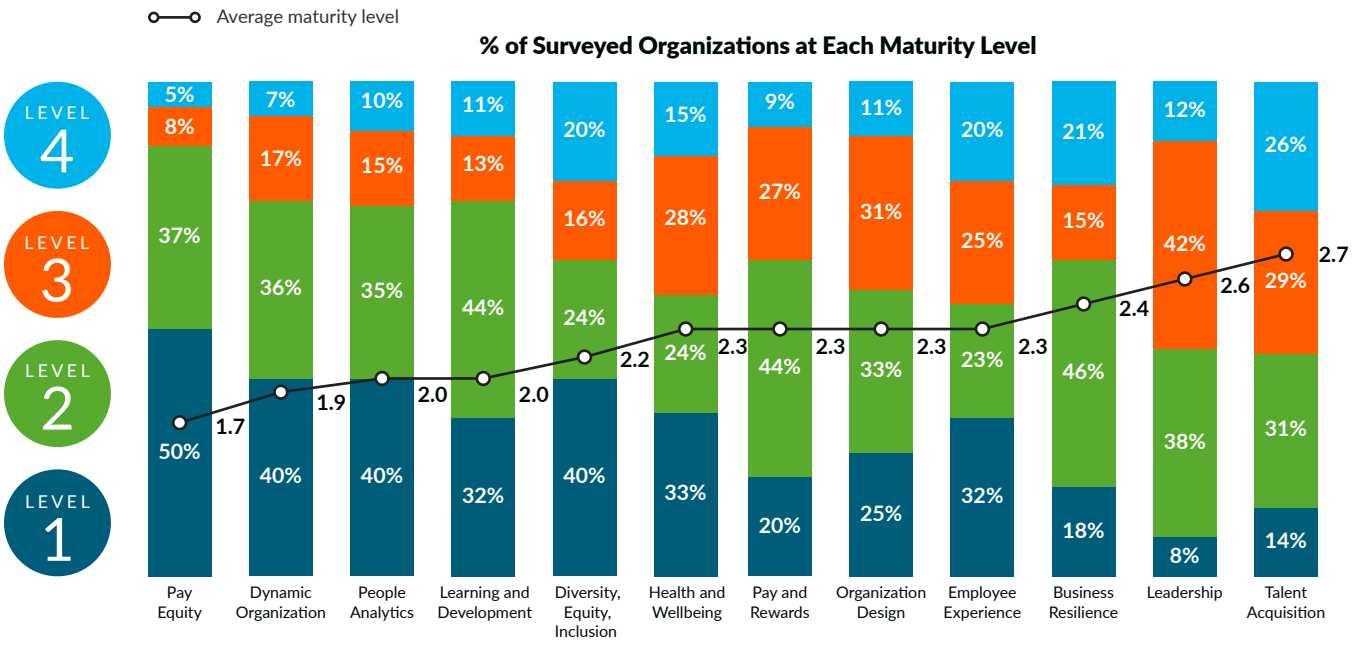
Upward Potential to Grow People Analytics Maturity

When examining the maturity level of various HR domains, we find that people analytics is the third least mature domain, ranking just above pay equity and dynamic organizations (see Figure 14). Not surprisingly, the maturity of people analytics aligns closely with the maturity of dynamic organizations, as these organizations rely on comprehensive data insights to drive agility, innovation, and strategic decision-making.

Without advanced people analytics, organizations struggle to understand workforce dynamics and make informed decisions in response to swiftly changing business environments. Interestingly, people analytics is also equal in maturity to L&D despite being a much newer discipline. Given its significant impact, moving toward systemic business analytics should be a business imperative.

FIGURE 14

HR Domains and Maturity Levels



Source: The Josh Bersin Company, 2024

Without advanced people analytics, organizations struggle to understand workforce dynamics and make informed decisions in response to swiftly changing business environments.

2. High-performing organizations integrate people, operational, work, and sales data for richer insights.

The most mature organizations consolidate data from various sources across the entire business to address complex business problems. Still, only 9% of organizations successfully integrate data and standardize metrics across different HR platforms, such as HCM, ATSs, and learning management systems (LMSs), as well as business systems like CRM, ERP, and finance.

Companies that aggregate data from various source systems are:

2.4× more likely to exceed financial targets

3.0× more likely to accomplish high levels of productivity

3.0× more likely to adapt well to change

High Performers Leverage Different Types of Analytics and Metrics

High-performing companies do not confine themselves to one type of methodology, metric, or analytics approach; they combine insights and metrics stemming from people analytics, talent intelligence, work analytics, and business intelligence (see Figure 15).

FIGURE 15

Various Analytics Types

Component	People Analytics	Talent Intelligence	Work Analytics	Business Intelligence
Focus	Workforce-related data and HR metrics	Skills, career paths, and labor market trends	Employee productivity, collaboration, and work patterns	Overall business performance and operational metrics
Data Sources	HR systems, employee surveys, and demographic data	Internal HR data, external labor market data, and skills databases	Time-tracking, communication tools, and project management systems	Sales, marketing, finance, operations, and customer data
Integration	Primarily within HR, with some integration across business functions	Combines internal and external data for comprehensive talent insights	Integrates data from various work-related tools and systems	Integrates data from all business functions for a holistic view
Purpose	Improve HR processes and employee management	Identify skills gaps, inform talent strategies, and support workforce planning	Enhance productivity, optimize work processes, and improve employee experience	Drive strategic business decisions and enhance overall organizational performance

Continued ▶

FIGURE 15

Various Analytics Types *(Continued)*

Component	People Analytics	Talent Intelligence	Work Analytics	Business Intelligence
Tools and Tech	HR information systems, reporting tools, and basic analytics	AI, machine learning, skills taxonomies, and labor market analytics	Advanced analytics tools, AI, machine learning, and collaboration analytics	Business intelligence platforms, data visualization tools, advanced analytics, and AI
Analysis	Descriptive and diagnostic analysis of HR metrics	Predictive and prescriptive analysis of skills and talent trends	Analysis of work patterns, productivity metrics, and collaboration networks	Multidimensional analysis of business performance, interdependencies, and future trends
Outcomes	Improved HR efficiency and employee management	Enhanced talent acquisition, development, and retention strategies	Increased productivity, optimized work processes, and improved employee engagement	Enhanced business performance, agility, and strategic decision-making
Use Case Examples	Tracking turnover rates and employee satisfaction surveys	Identifying future skills needs, succession planning, and talent sourcing	Monitoring employee productivity and optimizing team collaboration	Providing sales forecasting, financial planning, marketing optimization, and operational efficiency
Key Benefits	Better HR process management and basic insights into workforce dynamics	Comprehensive talent insights, informed talent strategies, and proactive workforce planning	Improved work efficiency, better collaboration, and enhanced employee experience	Comprehensive business insights, informed decision-making, and holistic solutions to business challenges

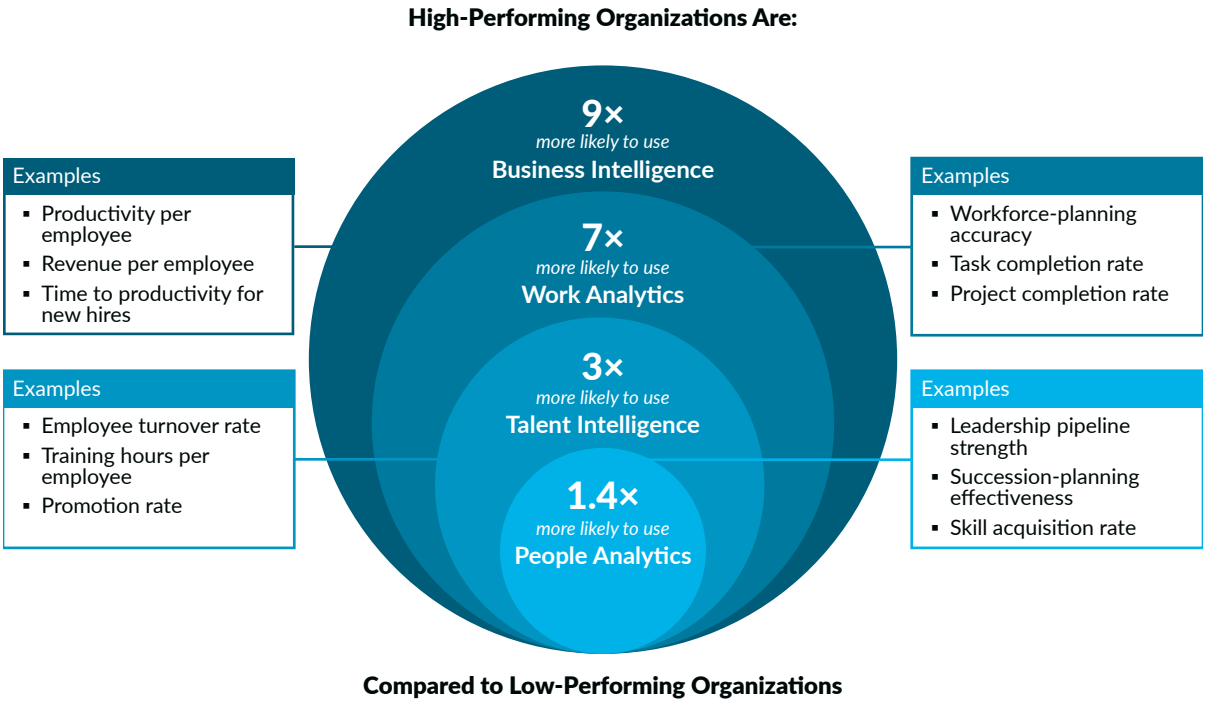
Source: The Josh Bersin Company, 2024

The most mature organizations consolidate data from various sources across the entire business to address complex business problems.

While the most mature organizations leverage all types of analytics, more advanced analytics are introduced as companies develop. High-performing organizations not only focus on people or talent analytics but also analyze how work gets done and the relationship to business outcomes (see Figure 16). This helps ensure every solution impacts the business and does not introduce hiccups across the organization (e.g., an intervention may positively impact revenue per employee but significantly increase turnover).

FIGURE 16

Different Types of Analytics in Mature Organizations



Source: The Josh Bersin Company, 2024

Using the Right Metrics

Some metrics have an elevated impact on business. "Employee lifetime value" (ELTV)[19] stands out as the most impactful, outperforming other metrics in six out of nine key outcome areas (see Figure 17 on the next page).

ELTV provides a comprehensive view of the long-term value an employee brings to the organization, helping businesses optimize talent management strategies to maximize employee contributions and minimize costs associated with turnover. However, only 5% of companies use it. Similarly, "skill acquisition rate"[20] helps companies remain competitive by ensuring that employees quickly acquire the necessary skills for the future of the business, but only 10% of organizations leverage it. Interestingly, employee turnover rate (the most commonly used metric) has the lowest overall contribution to business outcomes, yet it is most strongly correlated to the company being perceived as a great place to work.

FIGURE 17

Impact of Different Metrics on Outcomes

Low Average High

Companies Using These Metrics Are x Times More Likely to Excel in Each Outcome

	Financial Performance	Customer Delight	Change Adaptability	Innovation	Great Place to Work	Talent Attraction	Engagement and Retention	Diversity and Inclusion	Productivity	Average Impact	% Companies Using
Employee Lifetime Value	2.0	1.4	3.0	2.5	1.3	1.7	1.8	2.4	2.3	**2.0**	**5%**
Skill Acquisition Rate	1.6	1.2	2.4	2.1	1.4	1.7	1.8	2.5	1.9	**1.8**	**10%**
Cost per Hire	1.6	1.5	1.9	1.4	1.3	1.7	1.7	1.9	1.8	**1.6**	**28%**
Productivity per Employee	1.1	1.3	1.9	1.7	1.2	1.7	1.8	1.6	2.3	**1.6**	**15%**
Time to Productivity for New Hires	1.5	1.4	1.8	1.7	1.2	1.7	1.6	1.4	2.0	**1.6**	**12%**
Succession-Planning Effectiveness	1.5	1.3	2.1	1.7	1.1	1.4	1.5	1.6	1.5	**1.5**	**22%**
Revenue per Employee	1.3	1.4	1.5	1.6	1.2	1.5	1.8	1.3	1.4	**1.5**	**30%**
Diversity and Inclusion Index	0.9	1.0	1.6	0.9	1.2	1.3	1.7	2.4	1.5	**1.4**	**63%**
Workforce-Planning Accuracy	0.9	1.1	1.6	1.7	1.2	1.5	1.1	1.5	1.9	**1.4**	**20%**
Promotion Rate	1.2	1.0	1.6	1.5	1.2	1.4	1.6	1.3	1.7	**1.4**	**60%**
Training and Development ROI	1.1	1.1	2.1	1.4	0.8	1.3	1.2	1.6	1.3	**1.3**	**13%**
Leadership Pipeline Strength	1.2	1.2	1.7	1.1	1.4	1.3	1.3	1.4	1.3	**1.3**	**29%**
Time to Fill	1.0	1.1	1.5	1.0	1.2	1.6	1.5	1.0	1.4	**1.2**	**66%**
Retention Rate	1.4	1.4	1.6	1.0	1.0	1.0	1.4	1.2	1.2	**1.2**	**76%**
Employee Net Promoter Score (eNPS)	1.3	1.1	1.2	1.0	1.2	1.2	1.3	1.2	1.5	**1.2**	**43%**
Performance Rating Distribution	0.9	1.0	1.3	1.2	1.1	1.2	1.5	1.1	1.1	**1.2**	**64%**
Absenteeism Rate	1.1	1.2	1.2	0.8	0.9	1.0	1.2	1,4	1.2	**1.1**	**36%**
Internal Mobility Rate	1.1	0.9	1.4	1.3	0.9	0.9	1.3	1.2	1.1	**1.1**	**49%**
Training Hours per Employee	1.0	1.1	1.3	0.6	1.2	1.0	1.1	1.2	1.0	**1.1**	**49%**
Employee Engagement Score	0.9	0.8	1.2	0.9	1.0	1.1	1.1	1.0	1.5	**1.0**	**76%**
Employee Turnover Rate	0.6	0.6	0.7	0.5	1.9	0.7	0.9	0.9	0.7	**0.8**	**95%**

Employee lifetime value is the biggest differentiator in 6 out of the 9 outcome areas. Only 5% of companies are good at it.

Source: The Josh Bersin Company, 2024

CASE IN POINT

Providence Increases Change Adaptability with Analytics

Challenge: The healthcare industry is experiencing an acute shortage of clinical care professionals, with a workforce talent gap of 2.3 million nurses in the United States. Providence, a large healthcare organization, needed to address high turnover rates among its nursing staff, which were impacting patient care and increasing recruitment costs.

Solution: The company used Visier to integrate data from various sources including employee engagement surveys, turnover rates, patient care metrics, and compensation data to identify patterns and correlations between nurse turnover and factors such as engagement levels, workload, and compensation. High turnover was strongly linked to low engagement scores and high workload, particularly in certain departments. Compensation disparities were also identified as a contributing factor.

Results: Providence provided these insights to managers, coupled with actionable ways to address issues as needed to increase employee engagement and workload management. The company also introduced a new AI-based scheduling system for clinical workers that predicts staffing needs based on criteria such as patient volume, flow times, and types of care required. These interventions increased Providence's ability to respond to changing talent conditions, led to improved nurse retention rates and better patient care, and projected reduced recruitment costs of between $100 million and $150 million in the first year of implementation alone.[21]

3. Solving complex business problems—the goal of people analytics—must go beyond analyzing data and focus on driving actionable outcomes.

High-performing people analytics teams take a business-centric, holistic approach, combined with a pragmatic focus on driving actions. This includes the following steps:

Identifying and Prioritizing the Most Important Business Challenges

This involves collaborating with the C-suite to get the leadership perspective, building consulting capabilities to advise business leaders in operational decisions, and using a variety of employee listening channels and employee activation to get the voice of the internal customer (see Figure 18 on the next page).[22] Then, once problems are identified, using defined criteria to prioritize and assign resources is key.

For example, Starbucks named the branch manager role as key to success. The company uses talent intelligence to identify which skills and behaviors differentiate its most successful branch managers and find hidden leaders inside the company who are most likely to succeed in these positions.[23]

Deeply Understanding Root Causes and the Problems behind the Problems

The most successful organizations fall in love with the problem, not the solution. They spend enough time determining what's under the covers of presenting problems and identifying root causes, all with a focus on action-taking.

FIGURE 18

Examples of Listening Channels

Channel Type	Channels
Active/Asynchronous	Surveys, videos, chat forums, crowdsourcing
Active/Conversational	Roundtables, town halls, 1:1s, team meetings, focus groups, interviews
Active/External	Social media, Glassdoor, LinkedIn
Passive/Internal	CRM; HRIS; LMS; HR operations/help tickets, system usage

HRIS (HR information system)
Source: The Josh Bersin Company, 2024

Microsoft, for example, is using data to inform its return-to-office policy. Its analysis identified key moments when in-person attendance is most important, such as during onboarding, role transition, the launch of new projects, team formation, and efforts to strengthen team cohesion. This insight led to creating manager and team leader guidelines across the organization, supporting teams in deciding on the most appropriate work location.[24]

Driving for Operational and Strategic Actions

Rather than stopping their work at providing interesting insights, people analytics teams must identify stakeholders and accountable parties, elicit commitment to change, and work across the HR team to empower business leaders to assign resources and implement change.

SAP, for example, continuously monitors its pay practices using advanced analytics tools. "Let's look at data, lead with data, and plan interventions," said Chetna Singh, SAP's Senior Vice President and Global Head of Total Rewards. Then, she works with senior leaders and HR to adjust people-related practices for fairness, from recruiting to development and compensation.[25]

Companies where people analytics teams work closely with the CHRO to solve business problems are:

2.9× more likely to accomplish high levels of productivity

3.0× more likely to effectively engage and retain employees

3.0× more likely to adapt well to change

4. Empowering managers with timely data is key to better business decisions.

High-performing organizations ensure everyone in the company has access to essential data and insights. These organizations enable employees and managers to access real-time analytics and insights related to their own data (e.g., compensation, skills). Interactive, real-time dashboards are a powerful way to provide this access and deliver significant benefits to the business, like increased innovation, productivity, and change adaptability. Dedicated analytics technology platforms are essential to making these dashboards a reality.

Democratizing Data for Improving Outcomes

Granting access to people data outside of HR (e.g., senior executives, line managers, employees) positively influences outcomes, but most organizations are not doing this (see Figure 19). In fact, high performers are three times more likely to provide access to people data to managers and six times more likely to provide access to employees. Most organizations limit insight-sharing to senior executives, while only 44% share them with line managers and only 15% with employees.

FIGURE 19

Impact of Different Data Democratization Strategies

Low Average High

Companies Providing People Data Access to These People Are x Times More Likely to Excel in Each Outcome

	Financial Performance	Customer Delight	Change Adaptability	Innovation	Great Place to Work	Talent Attraction	Engagement and Retention	Diversity and Inclusion	Productivity	Average Impact	% Companies Doing This
Employees	1.8	1.5	2.4	1.6	1.5	1.6	1.7	1.8	1.9	**1.8**	**15%**
Line managers	1.4	1.5	2.4	1.6	1.5	1.7	1.9	1.6	1.9	**1.7**	**44%**
Senior executives	1.3	1.5	2.1	1.2	1.5	1.6	2.2	1.5	2.5	**1.7**	**72%**

Democratizing access to people data to employees is the biggest differentiator in 4 out of the 9 outcome areas.

Source: The Josh Bersin Company, 2024

Enabling Managers to Make Informed Everyday Decisions

Managers need access to accurate, real-time people and business data to make both strategic and tactical decisions (see Figure 20 on the next page). Companies like Panasonic and Providence Health & Services enable their line managers to make informed decisions around various areas, including workload redistribution, targeted engagement initiatives, and dedicated compensation adjustments.

Line managers also need the skills to interpret data and take the right actions to be effective. This should be a major focus area for companies today, as only 6% of people managers are adequately equipped to analyze, understand, and explain data, and only 12% of companies offer training in data interpretation, analytics, and decision-making.

For example, Standard Bank Group provides its 9,000 managers with a dedicated dashboard to monitor leadership effectiveness and provide guidance on interpretation and recommended actions. As a result, the company has seen a direct improvement in employee retention and diversity.

FIGURE 20

Types of Management Decisions and Supporting Integrated Data

Decision Area	Management Decision	Examples of Data Used
Hiring and Recruitment	Whom should I hire to fill skill gaps and meet team objectives?	Skills inventory, candidate assessments, and team performance metrics
Turnover Management	What should I do about high turnover on my team?	Exit interview data, employee engagement surveys, and turnover statistics
Performance Improvement	How can I enhance the productivity of my team members?	Performance reviews, productivity metrics, and feedback scores
Training and Development	Which employees need additional training to improve their skills?	Skills assessments, training completion rates, and performance data
Resource Allocation	Where should I allocate resources to maximize team efficiency and output?	Project timelines, resource utilization rates, and workload distribution
Employee Engagement	How can I increase engagement and satisfaction among my team members?	Engagement survey results, absenteeism rates, and feedback from one-on-one meetings
Compensation and Rewards	Where should I invest in bonuses or incentives to motivate my team?	Performance metrics, compensation benchmarks, and employee recognition data
Customer Service Enhancement	How do I solve a customer service problem that is affecting our performance?	Customer feedback, service response times, and resolution rates
Project Prioritization	Which projects should I prioritize to align with business goals and maximize impact?	Project impact assessments, strategic goals alignment, and resource availability

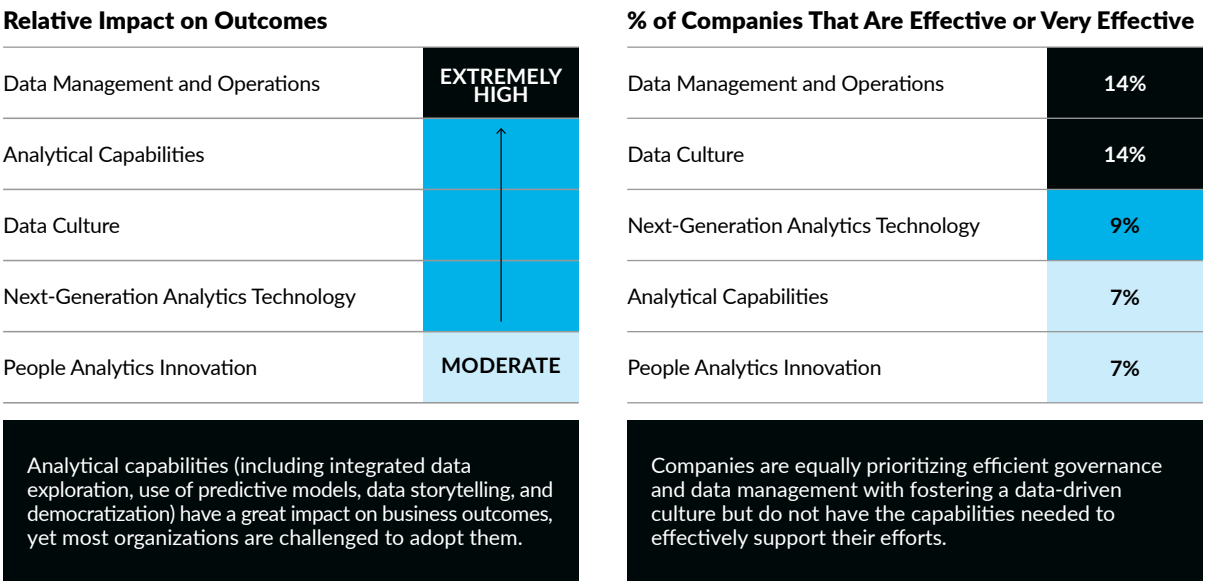
Source: The Josh Bersin Company, 2024

5. Capability development for HR, managers, and people analytics teams fuels analytics success.

When evaluating the relative impact of the elements of the Systemic Business Analytics Framework on business outcomes compared to the percentage of effective companies, we find that analytical capabilities (which includes predictive modeling and data storytelling) ranks as the second most influential factor. However, only 7% of companies are effectively using these capabilities (see Figure 21).

FIGURE 21

Impact and Effectiveness of Each Element of Systemic Business Analytics



Source: The Josh Bersin Company, 2024

Developing Systemic Analytics Capabilities in HR

The people analytics capabilities of HR professionals are very low, with 50% identifying as mere beginners (see Figure 22 on the next page). High-performing organizations develop "full-stack analytics capabilities," enabling those in HR to analyze data, produce KPIs, tell data stories, and consult with the business.

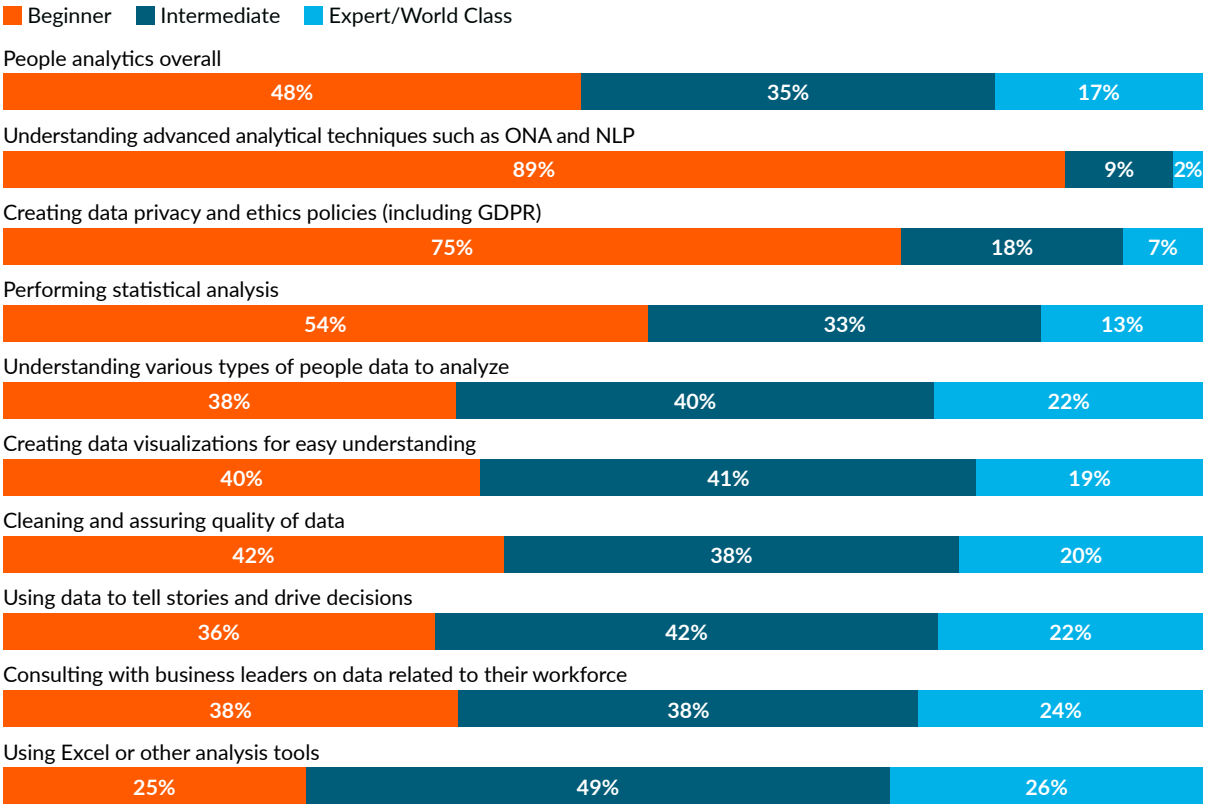
Elevating the People Analytics Team

Most people analytics teams are relatively new and small, with 3 in 5 established in the past 6 years and often comprising less than 1% of an organization's total HR headcount. Often, these teams are buried in work that doesn't result in high business value: 70% are tasked with tactical reporting, while strategic planning, talent intelligence, and skills analytics remain underdeveloped (see Figure 23 on the next page).

One key challenge is that many teams cannot look beyond the data, understand the business, connect the dots between people and business insights, consult with business leaders, tell data-based stories, and influence change through effective stakeholder engagement and communication.

FIGURE 22

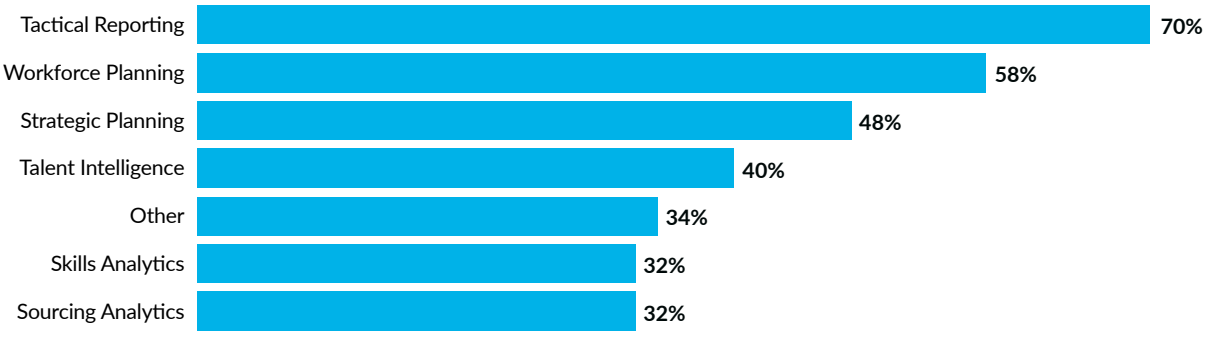
People Analytics Capability Distribution for HR Professionals



GDPR (General Data Protection Regulation); NLP (natural language processing); ONA (organizational network analysis)
Note: Values indicate percentage of HR capabilities study respondents.
Source: The Josh Bersin Company, 2024

FIGURE 23

What People Analytics Teams Are Currently Working On



Source: The Josh Bersin Company, 2024

CASE IN POINT

Panasonic "Falls in Love with the Problem" to Steer HR Strategy

Challenge: Panasonic Energy North America (PENA) needed to identify a system solution to provide accurate insights for developing a long-term HR strategy. The company was also looking for a central location for its data to tell the complete story of manufacturing productivity. Additionally, managers needed to be enabled to make informed staffing decisions using cohesive and comprehensive data.

Solution: PENA implemented Visier's people analytics platform, combining business and people data. PENA funneled data such as annual engagement survey responses to see the impact managerial action and programs have on its employees. The company also analyzed production line output to uncover productivity inefficiencies and better understand its clocking system.

Results: Before people analytics, PENA HR professionals met resistance when showing raw people data to managers. However, after sharing the data in a straightforward toolset, enabling managers to dive in, drill up and down, and show the relationship between data and other arguments, those walls of resistance disappeared. As a result of these efforts, Panasonic achieved a 20% reduction in attrition at its energy operations in Nevada. The enhanced visibility into hiring efforts facilitated deeper conversations about DEI initiatives, promoting a more inclusive workplace. Furthermore, the integration of people analytics shifted HR from a reactionary service to a strategic partner for the business, enabling more informed decision-making and long-term planning.[26]

6. AI-based analytics technology accelerates and scales analytics impact.

With AI becoming mainstream, there is a massive opportunity to capture the full potential of people analytics using AI-based analytics technology. Indeed, 1 in 3 companies plans to increase their investment in people analytics technology in the next 12 months. Using such technology doesn't just automate report generation and dashboards to free up HR's time, but it also enables more data-driven decision-making, contributes to a better people analytics team, supports data democratization, and helps scale data literacy (see Figure 24 on the next page). Using dedicated analytics technology is not just a technology enhancement; it lifts all capabilities across the board.

Companies that leverage AI and machine learning in their people analytics solutions are:

3.9× more likely to accomplish high levels of productivity

3.6× more likely to innovate effectively

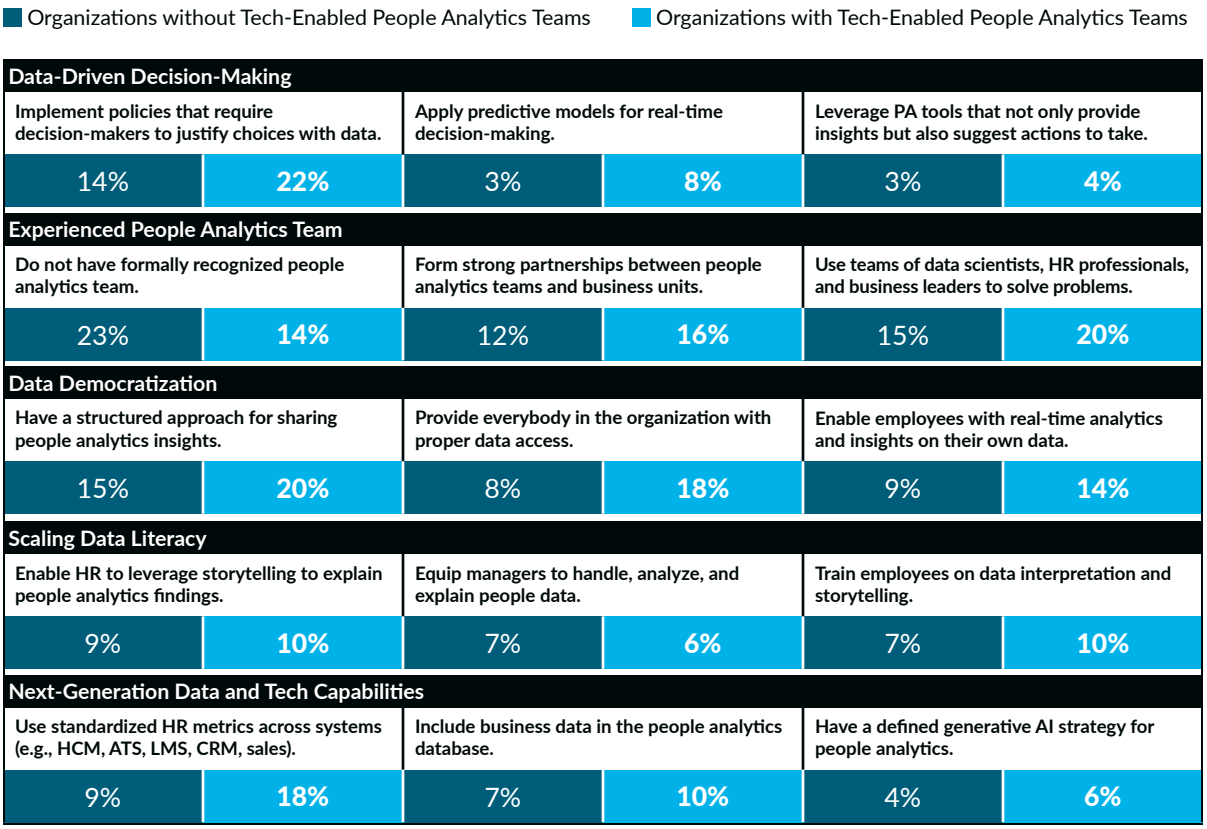
3.4× more likely to adapt well to change

Low Adoption of AI in People Analytics

AI-powered analytics enable organizations to analyze vast amounts of data quickly and accurately, uncovering patterns and trends that might be missed through traditional methods. Still, companies struggle with adopting AI strategically: only 4% have a strategy for incorporating generative AI into people analytics, and most are not applying AI at all.

FIGURE 24

How People Analytics Technology Impacts Key Building Blocks of Systemic Business Analytics



Source: The Josh Bersin Company, 2024

Leveraging AI in People Analytics

The use cases for AI in people analytics are broad, and companies like IBM and Google have been utilizing AI to predict employee turnover, identify skill gaps, and optimize workforce planning for years (see Figure 25 on the next page).

AI presents a significant opportunity to improve HR data management. Most companies lack an integrated data lake for employee data, but AI can quickly unify disparate data sources—achieving in weeks what would have taken years with traditional technologies.[27]

New generative AI tools like Vee by Visier further democratize data insights by enabling managers, leaders, and HR business partners to ask questions about people and business data in a conversational way and get actionable guidance on how to respond. These tools can also explain dashboards and summaries in natural, easy-to-understand language, addressing the limited data literacy of many managers and HR business partners.

AI has enormous potential and will rapidly evolve over the next few years. AI agents can handle tasks such as cleaning data, conducting analyses, managing projects, and communicating with managers about their needs.

FIGURE 25

Use Cases for AI in People Analytics

Use Case	Purpose	Benefits
Predictive Turnover Analysis	Predict flight risk based on historic employee data and suggest retention strategies to managers	Enables proactive retention strategies and reduces turnover costs
Skills Gap Identification	Identify current and future skills gaps by analyzing skills and performance data	Supports targeted training and development, enhancing workforce capabilities
Employee Engagement Analysis	Determine sentiment and engagement trends affecting employee retention, performance, and customer satisfaction	Supports targeted interventions to improve workplace culture, employee experience, and customer success
Diversity, Equity, Inclusion Analysis	Identify diversity trends, inclusion issues, and insights into pay equity to suggest interventions	Promotes a more inclusive workplace and supports DEI initiatives
Dynamic Workforce Planning	Forecast future talent and skills needs based on real-time skills and labor data and advise on strategic actions to address talent imbalances	Enhances flexibility, ensures the right talent is in place when needed, and reduces talent shortages or surpluses

Source: The Josh Bersin Company, 2024

CASE IN POINT

Coca-Cola Europacific Partners Uses Enterprise Talent Intelligence Technology to Drive Business Outcomes

Challenge: Coca-Cola Europacific Partners (CCEP), a leading beverage company, wanted to address internal skills gaps, revamp manual talent management and succession-planning processes, improve engagement scores, and help business leaders find the right internal talent.

Solution: The company combined data from an AI-powered talent intelligence platform with previously identified business capability gaps (work analytics) to create an internal skills catalog. Afterward, it launched an internal career hub where employees could share their profiles and skills. CCEP then narrowed the skills catalog to the 100 skills most critical to the business and identified a targeted subset of 3 to 5 skills to guide each employee's development.

"We've identified from the top down and the bottom up what skills we need and what is available," said Nico Orie, Vice President of People and Culture. With the right visibility of skills needed and skills available, CCEP was able to offer targeted upskilling opportunities and rethink the succession planning process.

Results: CCEP addressed talent gaps, increased employee engagement scores, and digitized succession planning with real-time data. A roadmap was created to leverage talent intelligence for other areas, including workforce planning.[28]

Conclusion

In today's rapidly evolving market landscape, organizations must adopt a pragmatic, action-oriented analytics approach to remain competitive. This requires moving beyond traditional HR metrics and leveraging various analytics, including business performance, labor market trends, and external benchmarks. Companies must integrate these sources into a cohesive strategy that is not just focused on HR but on solving the most critical business problems.

Systemic business analytics is a paradigm shift. By embracing AI-powered technologies, predictive analytics, and a culture of data-driven decision-making, organizations can make more informed, forward-looking decisions.

People analytics is now at a critical juncture. With data governance, solid business analytics capabilities, and analytics technology in place, it's time to build on this foundation. The goal is to use systemic business analytics to solve the most important business problems and drive actionable solutions.

Appendix

Study Methodology

We conducted this broad-based, global industry study in various steps over a year's time, working with Visier on several components. Below are some of the inputs and steps.

Big Reset Discussions

Over six months, we talked with HR, talent, learning, and people analytics executives in more than 150 organizations about their businesses, talent, and HR practices and where they saw the biggest organizational challenges, successes, and mistakes. These discussions, conducted in different working groups and sprints, helped inform us of the questions and topics to study in our excellence survey.

Excellence Survey

Taking the Big Reset discussions as input, we created a survey with 62 practices and strategies, validated it with various talent and organizational leaders from large companies, experts, and consultants, and launched it into the market for eight weeks in March and April 2024, together with Perceptyx, our survey provider. A total of 469 organizations from 50 countries participated across all industries and company sizes, representing more than 10 million employees. Questions were practice-based, not opinion-based (i.e., "My organization does X" instead of "I think Y").

Analysis

We conducted a comprehensive analysis of survey responses, excluding companies with fewer than 500 employees, as they typically lack formal people analytics functions or processes. First, we performed descriptive analysis, comparing favorability across topics, practices, and demographics to assess practice adoption. We also applied linear regression to analyze the impact of the 62 practices against business outcomes (financial performance and customer satisfaction), people outcomes (attracting the right talent, engagement and retention, and a sense of belonging), productivity, and innovation outcomes (change adaptability and innovation). This helped us identify the 15 practices that matter most.

Next, we statistically clustered organizations into four groups based on their performance in these 15 practices, allowing us to determine the maturity level of each participating organization. To determine the likelihood of achieving specific outcomes—such as how much more likely mature organizations (Level 4) are to meet or exceed financial targets compared with low-performing organizations (Level 1)—we calculated the percentage of high-performing organizations that accomplished a specific outcome (top two responses on the five-point response scale) and divided it by the percentage of low-performing organizations that accomplished that same outcome.

Similarly, to determine the likelihood of a specific practice leading to a particular outcome—such as how much more likely companies that rotate leaders are to meet or exceed financial targets—we calculated the percentage of organizations that deployed a specific practice and accomplished the particular outcome (top two responses on the five-point response scale) and divided it by the percentage of those that didn't deploy the practice and achieved the same result.

Interviews

We conducted in-depth interviews with HR and people analytics leaders in more than 15 large, complex companies to ensure the practices we identified through statistical research resonated with leaders and practitioners. We presented draft study findings to The Josh Bersin Company's Big Reset working group and in other settings with HR and people analytics leaders and experts.

Report Preparation

Based on the input gathered, we prepared this report, which was reviewed by people analytics and HR leaders and experts from successful companies.

About the Authors

Josh Bersin

Josh founded Bersin & Associates in 2001 to provide research and advisory services focused on corporate learning. He expanded the company's coverage to encompass HR, talent management, talent acquisition, and leadership and became a recognized expert in the talent market. Josh sold the company to Deloitte in 2012 and was a partner in Bersin by Deloitte up until 2018.

In 2019, Josh founded the Josh Bersin Academy, a professional development academy that has become the "home for HR." In 2020, he put together a team of analysts and advisors who are now working with him to support and guide HR organizations from around the world under the umbrella of The Josh Bersin Company. He is frequently featured in publications such as *Forbes*, *Harvard Business Review*, *HR Executive*, *The Wall Street Journal*, and *CLO Magazine*. He is a popular blogger and has more than 800,000 followers on LinkedIn.

Stella Ioannidou

Stella is the senior director of research and Global Workforce Intelligence Project leader at The Josh Bersin Company. In this role, she conducts empirical research on a variety of topics related to the skills economy, talent intelligence, and HR technology. Stella has almost 20 years of experience across several industries, including banking. Prior to joining The Josh Bersin Company, Stella was the HR transformation leader for Deloitte, where she led large-scale HCM implementations and designed frameworks for talent acquisition and performance management for the public sector. Stella holds master's degrees in engineering, information systems management, business administration, and lifelong learning. Stella lives and works in Greece and is pursuing her PhD in talent intelligence. She is a certified project manager, change management practitioner, lean six sigma green belt, and ICAgile HR professional.

Kathi Enderes, PhD

Kathi is the senior vice president research and global industry analyst at The Josh Bersin Company, supporting clients and the market with evidence-based insights on all areas of HR, learning, talent, and HR technology. Kathi has more than 20 years of global experience from management consulting with IBM, PwC, and EY, and as a talent leader at McKesson and Kaiser Permanente. Most recently, Kathi led talent and workforce research at Deloitte. She is a frequent keynote speaker, author, and thought leader. Her passion is to make work better and more meaningful.

Originally from Austria, Kathi has worked in Vienna, London, San Francisco, and Spain and now lives in Palo Alto, California. Kathi holds a doctoral degree in mathematics and a master's degree in mathematics from the University of Vienna, Austria.

Endnotes

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About The Josh Bersin Company

The Josh Bersin Company provides a wide range of research and advisory services to help HR leaders and professionals tackle the ever-evolving challenges and needs of today's workforce. We cover all topics in HR, talent, and L&D, including diversity, equity, and inclusion; employee experience; remote and hybrid work; wellbeing; HR strategy and capabilities; learning and career mobility; HR technology; organization design and development; and talent acquisition and mobility. In 2022, The Josh Bersin Company introduced the Global Workforce Intelligence (GWI) Project to guide market-leading businesses and their leaders through the challenges of industry convergence while remaining future-focused.

Corporate Membership

Corporate membership provides senior business leaders and their teams with research, tools, support, and special events that translate The Josh Bersin Company's cutting-edge insights into actionable, transformative organizational strategies. Members have exclusive access to research reports, case studies, definitive guides, playbooks, tech market studies, and a robust toolkit featuring assessments, strategy guides, maturity models, and frameworks. Through executive briefings, thought leadership sessions, and personalized advisory support, members can better apply lessons learned within their own corporate environment. To facilitate collaboration and networking, membership also includes community events, interactive discussions, exclusive webinars, conferences, and interactive learning opportunities.

Corporate membership also includes access to Galileo™, the world's first AI-powered expert assistant specifically developed for HR. Trained on 25 years of The Josh Bersin Company's research, insights, and expertise, and enriched by carefully curated material from our trusted content partners, Galileo unlocks information from over 50,000 verified assets to answer any HR-related question with timely and meaningful answers.

For more details, email info@bersinpartners.com.

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