People Analytics Trends
an Insight222 study

Harnessing Data for Growth

The Impact of People Analytics

INSIGHT 222

Contents

Executive Summary

People analytics is growing – yet again!

This is the fifth year of our annual people analytics trends research, and it is perhaps no surprise that the function of people analytics continues to grow. In a "typical" organisation of, say, 100,000 employees, the people analytics team has risen from 25 people in 2020 to 40 people in 2024. The ratio of people analytics professionals to total employee headcount is now 1:2500 (see Figure 1).

In 2020 the human aspect of business was magnified by the global pandemic, and since then numerous topics of a "people nature" have topped business agendas – social justice and inclusion, well-being, hybrid working, hyper-inflation and geo-political events – making people topics high profile for C-suite executives and boards of directors across the globe. Over the last five years, therefore, it is no surprise that analysing people data within organisations has been accelerated and magnified.

Over the years, our research methodology has remained the same, albeit the sample size of organisations increases. This year the total number of organisations with discrete people analytics functions grew by over 25%, from the prior year, to 1600 worldwide. We invite the people analytics leader at each of these organisations to complete an extensive survey about their function, and then we analyse the data from those respondents to understand "the state of play" in the field of people analytics.

FIGURE 1
People analytics ratio, 2020 and 2024

This year we studied almost 350 organisations, up 28% since 2023, from 36 different countries (2023: 27 countries). Since our methodology stays the same, we can confidently report that people analytics is growing.

So – this is where people analytics is at. At a macro level, the field is growing. And at the organisational level, people analytics is growing or staying the same size, globally, in 90% of the companies in our research. We also identify that 68% of the companies in our research have increased investment in analytics dashboard technology, or other specialist people analytics technology, over the last 12 months.

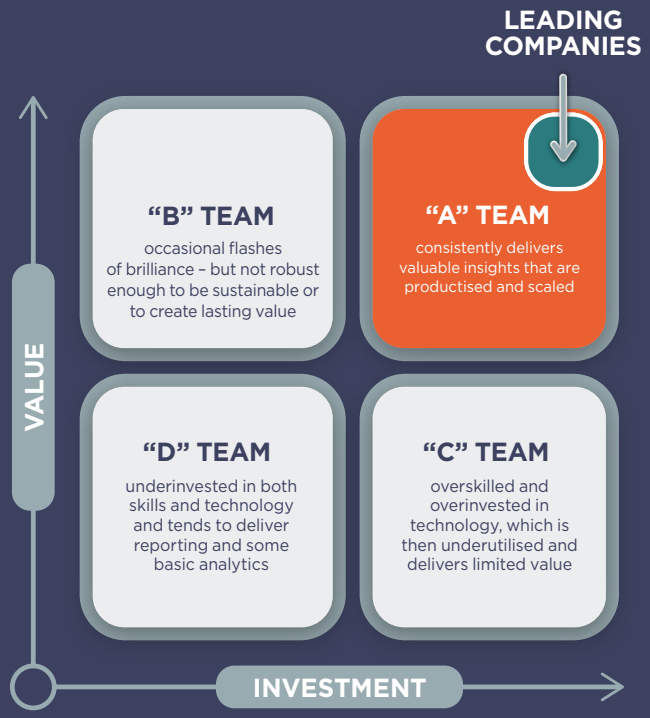
This year, our research also went deeper on the impact and adoption of analytics. We researched the adoption of artificial intelligence (AI), the democratisation of people analytics, how teams are creating impact with analytics across the workforce, and how they are measuring value.

In 2024, our key findings are:

1. **Growth:** People analytics continues to grow as a function across companies worldwide.
2. **Intelligent Automation:** AI is here! Companies are adapting processes, guidelines and activities to integrate AI across people practices, using analytics at its core.
3. **Adoption:** The adoption of analytics across the workforce, through democratisation and personalisation, is "getting going". However, there is a still a lot to do before people analytics is embedded organisation-wide.
4. **Value:** Few companies are measuring the value of people analytics, especially in terms of improving business performance. And there is a long way to go before business executives realise the full value of their investment in people analytics.

We have continued to use our Leading Companies Model and the concept of "ABCD Teams" to understand what the "best of the best" are doing. This is detailed in our work on Leading Companies in People Analytics ("Leading Companies"). Section 04 of this report is dedicated to exploring this further through our analysis of "A" Teams. In our 2023 research,[1] we identified key characteristics that indicate what companies should invest in and how value can be created. This creates our Leading Companies Model (see Figure 2).

FIGURE 2
Leading Companies Model



In our research this year, we identified that only 10% of all companies that completed our research are defined as "A" Teams. What we notice from "A" Teams is that people analytics is embedded in the people strategy. We also identify that these teams regularly and dynamically prioritise their work according to the needs of the C-suite and the business agenda.

Unfortunately, we still see too many teams at the "D" Team level in our Leading Companies Model. These are teams that have limited investment in core topics and subsequently deliver limited value. In our research in 2024, 57% of all companies that responded to our survey are considered "D" Teams, a marginal improvement on the 59% reported in 2023. There is little difference by industry, size or tenure of team.

In conclusion, after five years of publishing trends in the people analytics industry, it is clear that people analytics is a sought-after discipline of activities and outputs. But, far too often, value from people analytics is not delivered at scale.

The answer lies in the democratisation of data, personalising and creating the adoption of solutions by employees and managers, focusing efforts on the most important business priorities and measuring financial value. If these are done, at scale, across organisations worldwide, the future is bright for people analytics.

Jonathan Ferrar, Naomi Verghese, Madhura Chakrabarti
November 2024

Harnessing the power of people analytics requires:

1. **Democratising people data**
2. **Personalising solutions using AI**
3. **Making sure analytics solutions are adopted**
4. **Focusing on the highest business priorities**
5. **Measuring financial value**

01
The Growth of People Analytics

People analytics is growing as a discipline. A recent report by Deloitte[2] identified that, in 2023, 40% of organisations were in levels 3 and 4 of their four-level maturity model (the top two levels of maturity in their model), compared with 18% in 2020 and 17% in 2017. Our own research, undertaken annually, mirrors this growth in activity and investment.

The Ratio of People Analytics

In our research over the last five years, the ratio of people analytics has improved from 1:4000 to 1:2500 (see Figure 3). This means that for every 2500 people employed in our surveyed companies in 2024, there is one people analytics professional.

Putting that into context, for a typical 100,000-person company, there are 40 people analytics professionals.

FIGURE 3
People analytics ratio, 2020 to 2024

PEOPLE ANALYTICS RATIO

2024	1:2500
2023	1:2800
2022	1:2900
2021	1:2900
2020	1:4000

Base: 2024: n=348; 2020: n=60.

People analytics team:Total employee headcount

The Ratio for People Analytics

Our approach to understanding the optimum people analytics team size compares the people analytics team with total employee headcount. This is more appropriate than a comparison of the size of the people analytics team with the size of the HR function, which is often assumed to be the most logical approach. This is because it prioritises the guiding purpose of the people analytics function: delivering business value (not just HR value).

Successful people analytics teams remain focused on the needs of the business. In other words, when prioritising people analytics projects, the team concentrates on work that will drive significant business value instead of carrying out work for the benefit of the HR function alone. People analytics teams must think “business first”, adopting an outside–in view and working for the business, not just for HR.

Therefore, the size of the people analytics function should be considered against the total employee headcount of the entire business.

People Analytics Growth and Company Size

When looking at the ratio in more detail, we notice that across all but the smallest of company sizes, there is a strengthening of the ratio since 2023. This means that irrespective of the size of the organisation, at the macro level, people analytics practitioners and skills are being invested in (see Figure 4).

We do notice that larger companies have a less strong ratio, indicating that economies of scale happen as companies develop over time. This is natural, and to be expected.

In smaller organisations the ratio is stronger. Naturally, in a smaller organisation, resources will also have to be utilised carefully. In the detail of our research, we identify 20 different roles and capabilities that are required by a "fully fledged" people analytics team operating as an "A" Team. Clearly, in a small team with only a handful of people, they will have to be generalists with a number of skills to cover many of the roles needed to deliver value.

People Analytics Team Size and Tenure of the Team

As people analytics teams mature in age, they become more efficient. They introduce processes and technology to build scalable data lakes, they introduce governance to manage data, they build effective prioritisation methodologies to focus on key topics, and they build skills to deliver ever more complex projects.

This is reflected in our analysis of the tenure of people analytics teams (see Figure 5).

For very "early tenure" teams in their first year of formation, most are increasing in size (56%) or stabilising (40%). For teams with tenure in the range of two to four years, 50% are increasing in size and 42% are staying the same.

As tenure grows, some teams do shrink, but the overall numbers are small. Of the 348 people analytics functions that we researched, only 34 decreased in size during the previous 12 months. The vast majority continue to grow or have stayed the same size.

FIGURE 4
The ratio of people analytics across different organisation sizes

	Fewer than 5000 employees	5000 to 25,000 employees	25,000 to 50,000 employees	50,000 to 100,000 employees	More than 100,000 employees
2024	1:900	1:2000	1:4500	1:3700	1:6200
2023	1:700	1:2100	1:4900	1:3900	1:7200

FIGURE 5

The growth of people analytics teams, by tenure

	0–1 years (n=44)	2–4 years (n=48)	5–9 years (n=139)	10+ years (n=117)	Overall (n=348)
Increased or stayed the same	**96%**	**92%**	**87%**	**88%**	**90%**
Increased	56%	50%	38%	35%	44%
Stayed the same	40%	42%	49%	53%	46%
Decreased	**4%**	**8%**	**13%**	**12%**	**10%**

People Analytics by Industry

Our analysis across the 348 companies in our research shows that, in most industries, the people analytics ratio has strengthened over the last 12 months (see Figure 6). This is true for the technology, retail and fast-moving consumer goods (FMCG), media and telecommunications, engineering, and chemicals and materials industries, as well as a number of other industries in our research with smaller numbers of company respondents.

Only in financial services and pharmaceutical and healthcare have we identified a slight weakening in the ratio, meaning that in these industries there is a very slight softening in the focus on people analytics during the previous 12 months relative to the overall company.

However, when we consider the overall growth over a five-year period for the biggest four industries – technology, financial services, pharmaceutical and healthcare, and retail and FMCG, which collectively account for exactly two-thirds of the companies surveyed in our research (232 companies) – we conclude that the growth of people analytics is very healthy indeed.

FIGURE 6

The ratio of people analytics across different industries

	Technology	Financial services	Pharmaceutical and healthcare	Retail and FMCG	Food and beverage	Media and telecommunications	Engineering	Chemicals and materials
2024	1:1400	1:1700	1:3700	1:4600	1:4000	1:2900	1:5300	1:4500
2023	1:1500	1:1500	1:3500	1:6100	1:6000	1:3600	1:5500	1:5500
2020	1:3900	1:3800	1:7200	1:6200	–	–	–	–

Note: there were insufficient companies responding to the survey in 2020 to provide accurate ratios for the four industries where no ratios are shown

02
Artificial Intelligence in HR

Artificial intelligence (AI) has the potential to transform HR by supporting improved decision-making, creating efficiency, producing cost savings, making processes scalable and – most notably – improving the employee experience through personalised and "intelligent" employee tools.

Following the breakthrough of generative AI (gen AI) in late 2022 with the launch of ChatGPT,[3] the adoption of AI is certainly accelerating. All corporate functions are looking at how they can best leverage the opportunities presented by AI.

Chief human resources officers (CHROs) are expected to use AI to transform their own function, improve the experience of the people in their organisation, and reskill the workforce in response to how AI is changing jobs. Our research supports this expectation, with 68% of companies that responded to our survey showing that AI is now a strategic priority for HR.

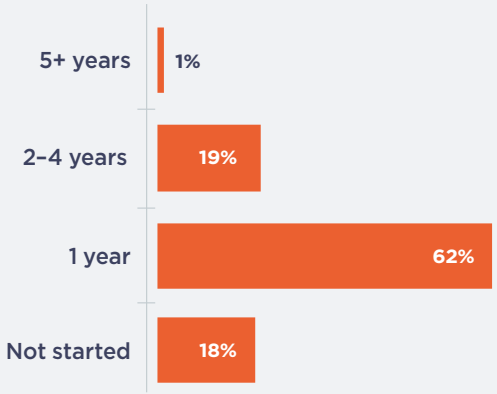
For the first time, Insight222 has undertaken a more detailed review of the "state of play" of AI in HR. This means that across the 348 companies surveyed for this research, we have insights into the journey of AI in HR, especially as it relates to people analytics. While much has been published about the opportunities and benefits of AI technologies, it is useful to understand where companies are today on their journey, the specific use cases for leveraging AI and gen AI in HR, and the prerequisites for maximising the opportunities that AI presents.

68%
of companies
confirm that leveraging AI is a strategic priority for HR

The AI Journey in HR

Our research finds that just under two-thirds (62%) of companies are in their first year of their AI journey in HR (see Figure 7). While this may appear to be a notable proportion, it also coincides with the increased focus across the business world on leveraging the potential of AI following the release of publicly available gen AI tools.

FIGURE 7
The number of years companies have been on the AI journey in HR



Use Cases for AI and Gen AI in HR

In this year's survey, we asked people analytics leaders to share the AI and gen AI use cases that are currently in production in the HR function at their company. Use cases for HR include predictive models, content generation for chatbots, and sentiment analysis in employee feedback, see Figure 8a (p11) and Figure 8b (p12). For those early in the AI journey or still looking to get started, this can provide insight and help for getting traction.

FIGURE 8a
AI use cases for HR

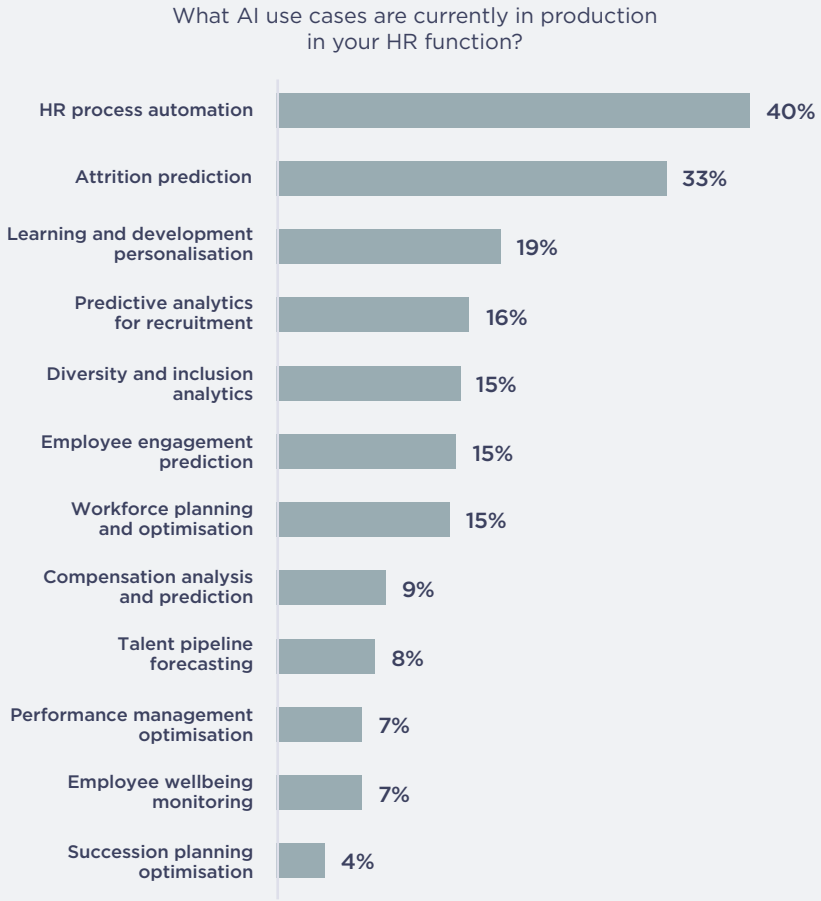


FIGURE 8b

Gen AI use cases for HR

Overall, our research found that 40% of companies are leveraging AI to automate HR processes, a figure that is expected to increase over the coming years. Also, a third of companies (33%) are utilising predictive attrition, which employs advanced analytics techniques to understand the effect of certain variables and identify segments of the workforce at risk of attrition now and in the future.

The content generation use case that is most widely used in HR is chatbots, where 38% of companies are leveraging gen AI for this purpose. Employees can ask a chatbot questions and it will provide information. Chatbots can be an effective way to experiment with AI because they can be designed to answer a small number of questions initially to test the value with employees and then be enhanced to encompass more HR talent and policy questions over time.

Our research also found that 36% of companies are using sentiment analysis to assess the sentiment in employee feedback across surveys and other listening channels. A technique used in natural language processing (NLP), sentiment analysis is used to interpret the tone in text and classify it into categories, such as positive or negative, and therefore understand employee reactions at scale.

Maximising the Opportunities that AI Presents

While there is much excitement about the opportunities that AI presents, there are also important prerequisites to really maximise the positive impacts it can have for HR. These include:

1. **acquiring key roles and skills in the people analytics team;**
2. **investing in data foundations;**
3. **instilling strong governance and ethical management of AI;**
4. **establishing an AI council.**

We find that these prerequisites are becoming barriers for those that are "jumping in" too soon. We therefore study each of these four items in detail as follows.

1. Acquiring Key Roles and Skills in the People Analytics Team

Forward-thinking people analytics leaders are considering the roles and skills they will need now, and in the future, to leverage the opportunities that AI presents and to manage the associated risks.[4] These roles include people analytics consultants who work directly with HR and business leaders to identify the right questions that AI can help address.

Some companies have created new roles within people analytics focused on AI strategy and implementation across HR. Our research found that 22% of people analytics leaders surveyed expect headcount to increase in this "AI specialist" role over the next 18–24 months. This has increased over the past 12 months. When asked the same question in our 2023 research, only 8% of people analytics leaders expected to invest in this role. This demonstrates the commitment is strengthening for making AI a strategic priority for HR.

2. Investing in Data Foundations

Investing in and establishing strong data foundations is essential to ensure accurate data quality, processes and flows so data and insights can be digitised at scale. Data foundations are needed to ensure algorithms and language models learn quickly to create the type of automation that will allow employees and managers to gain use from models such as predictive attrition, or a learning recommendation engine.

Without this in place, the use cases that can be utilised using AI will be limited. AI provides people analytics leaders with an opportunity to influence for investment in the data foundations in order for HR to take advantage of the efficiencies and improved experiences AI technologies can provide.

In our research, it is encouraging to see that 60% of companies are already investing in building strong data foundations (such as the data architecture and data quality) to maximise the opportunities that AI presents for HR.

60%
of companies
have invested in building strong data foundations to maximise the opportunities that AI presents for HR

44%
of companies
already on their AI journey have a dedicated focus on the governance and ethics of AI models used in HR

3. Instilling Strong Governance and Ethical Management of AI

Another prerequisite for leveraging AI is having a focus on governance and ethics to ensure a high validity of the models being used, and to ensure fairness and transparency.

The processes and algorithms used in AI models must be evaluated to ensure they are fair and not introducing unintended – or indeed any – bias. The regulatory landscape for AI is increasing, with a number of laws already in effect across the USA and now in the EU.[5] Companies are expected to demonstrate that their AI-infused solutions do not create bias and that there is a suitable level of transparency to end-users (and regulators) about the use of AI.

Our research finds that of the companies who have started their AI journey in HR, 44% have a dedicated focus on the governance and ethics of AI models used in HR.

4. Establishing an AI Council

As part of governing the ethical use of AI, it is best practice to set up an AI council in HR. This should be used to steer the strategic direction of AI, evaluate the highest-value use cases, and determine where investments and resources should be made.

The purpose of creating a dedicated AI council is to make sure all of the strategic and ethical considerations noted about AI are managed properly and effectively. This will ensure that the right people and skills are brought together to be involved in making the necessary decisions.

As well as partnering with the broader enterprise AI community, the council can act as a review board to ensure that value is being delivered from AI tools in HR and that, as a principle, they continue to be beneficial for employees.

Of the companies that have started their AI journey in HR, 45% have established a council in HR to provide strategic direction on how AI is used.

45%
of companies
already on their AI journey have established a council in HR to provide strategic direction on how AI is used

In summary, AI in HR is gaining momentum, and people analytics is at the heart of this progress. The four prerequisites should be considered for effective AI across the people function. The people analytics leader should be at the centre of the strategic and operational development of AI across HR.

One company that has such a leader is Schneider Electric (see next page), which is a role-model organisation for AI in HR with analytics at the core.

Case Insight from Schneider Electric: Delivering Impact Through AI

Peter Ryan leads the people analytics function at Schneider Electric, where he has been for about eight years, having started as "maybe the first data scientist within HR". Schneider Electric is a company with an ecosystem of 150,000 colleagues and more than a million partners operating in over 100 countries.[6]

Schneider Electric's vision is to create impact by empowering all to make the most of our energy and resources, bridging progress and sustainability for all. At Schneider, this is called "Life Is On".

With this vision, it is easy to feel Peter's enthusiasm for AI and analytics. He uses his company's purpose to give energy to his work and aims to create impact across employees and managers throughout Schneider Electric.

Overall, Schneider Electric's people analytics function covers people insights, data excellence, workforce planning and HR cyber security. Peter's remit covers the "analytics engine" of the function, which consists of the visualisation, advanced analytics and product strategy capabilities, where teams of product owners, analysts, data scientists and developers collaborate to deliver valuable products for their partners and user community.

An example of where they have built an analytics model and scaled it is in pay equity. They used advanced analytics to create models and then automated it in an app called the "fair pay simulator", which was a customised build by their rapid prototyping capability. This allowed them to model scenarios and implement actions to help meet Schneider's 2025 pay equity ambition ahead of schedule.

The app is so good that it has won an external award. DataIQTM states: "The app provides a high level of visibility on current and future pay equity gaps at individual and country level, which gives users the possibility to simulate a total compensation package aligned with the organization's overall pay equity objective." The judges of these awards further comment: "This innovative approach not only accelerates the achievement of Schneider Electric's sustainability goals but also sets a new standard for inclusive compensation practices in the industry."[7]

In 2021, Schneider established a centre of AI excellence called the "AI Hub". This is an enterprise hub that helps utilise global AI resources for the highest-priority strategic initiatives. This global hub offers expertise, guidance and structure to enable functions to deliver AI at scale across the enterprise, including the HR function in collaboration with HR services and the people analytics team.

The partnership allows use cases to be validated across a range of dimensions so that when resources are aligned, the outcome will be valuable for employees and managers, and will align with the strategic priorities of the organisation.

The second thing that Peter outlines as essential for delivering value is what he refers to as a council. He explains: "It's a council. It's a collaboration with the AI Hub and HR services. We work with senior executives within HR globally to align on what use cases are worked on. And then that's all underpinned by data privacy governance."

He continues: "We focus on several questions for each project: Why are we doing it? Should we be doing it? Should we be using these particular datasets? What benefit does it bring to the organisation? What benefits does it bring to our employees? If we develop it, will it deliver value? Is it scalable?"

It is clear from these situations that Peter and his team have taken people analytics to a whole new level. First, while reporting into the HR function and building their own models and applications, they also partner with the enterprise global AI Hub. They ask themselves tough questions about the use of data, value and benefits. Finally, they aim to scale products using AI across the organisation and measure the value.

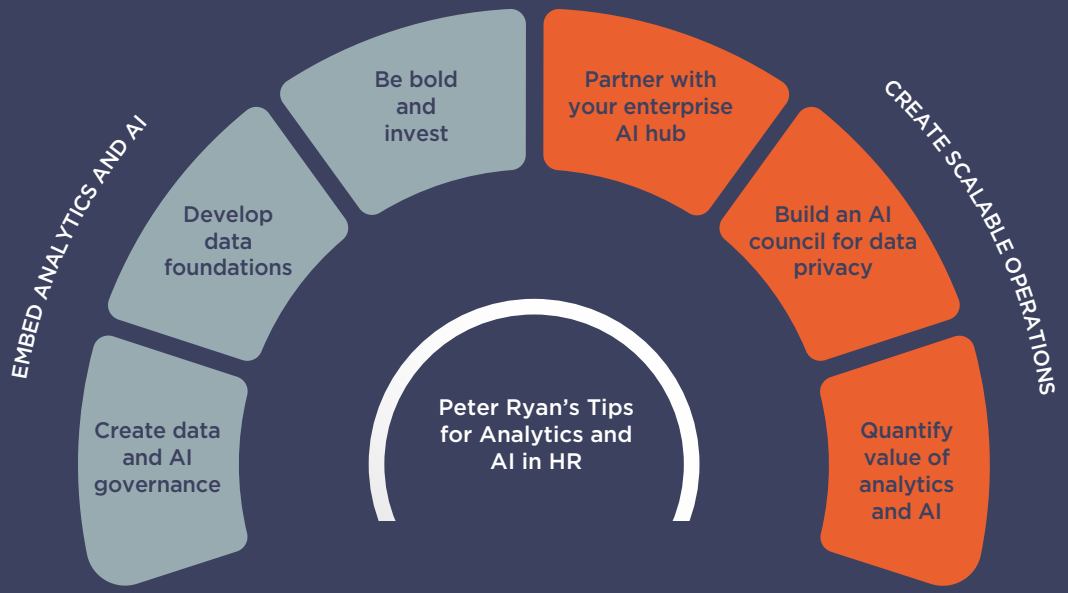
Peter talks passionately about the last item: "Quantifying value is a big thing. For any use case, we need to understand what sort of monetary value is attached to it, right? And that could be from efficiencies to generating insights that could generate revenue."

When asked what advice he would offer to others, he states three things:

1. **Be bold and invest: "Take that step. It can be a bumpy journey for sure, but it is worth it when you see the value that it can return."**
2. **Develop data foundations: "Make sure the data architecture is in place and that you have the right collaboration with your digital teams."**
3. **Create data and AI governance: "Make sure that you're aligned with the data privacy function and that everybody's aware that what you are doing is for the right purpose."**

Peter has lots to offer (see Figure 9). It's impressive to listen to a people analytics leader with such energy and clarity, and Peter Ryan is one of the clearest thinkers in this field when it comes to analytics and AI in HR.

FIGURE 9
Peter Ryan's tips for analytics and AI in HR



03

Democratisation and Adoption of Analytics

Data democratisation has been a topic of major importance, in people analytics for a while.[8,9] Asking the right questions and then collecting and analysing relevant data is only meaningful if the insights derived from the data are shared with and consumed by the intended audience.

First, our research outlines that 63% of the 348 organisations who are part of this research report that they are investing in specialised (Wave 2) technology to enable data democratisation. When we compare that with our People Analytics Trends 2020 research, across the then 60 companies surveyed, 65% were investing in specialist (Wave 2) technology.[10] The numbers of firms investing in specialist (Wave 2) technology is broadly steady over the last four years, which is encouraging.

Second, when looking at the last three years of our research, we see an increasing trend in the democratisation of data by people analytics teams to managers and executives (see Figure 10).

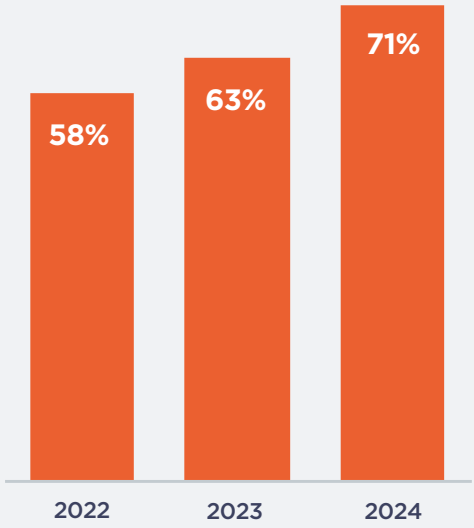
Both of these insights are helpful. They indicate that the majority of people analytics teams today are paying attention to democratising people data and insights, not just in the acquisition of required technology, but increasingly in the application of this technology.

However, our research reveals that there is still much progress to be made when it comes to adoption, that is, the adoption of the products and technology that serve as the primary channels of democratisation.

In other words, we see a certain amount of "leakage".

FIGURE 10
The number of companies that democratise people analytics data

Percentage of companies where the people analytics function shares data interactively with managers and executives across the enterprise using analytics dashboards, 2022–24



Leakage is where the data democratisation efforts are increasing but adoption and consumption of that data among end-users (for example HR practitioners, or employees, managers, and other non-HR users) remains lower.

To elaborate further, 71% of organisations report democratising people analytics data, whereas less than half (47%) of the organisations report having a high level of people analytics product adoption across HR practitioners. Furthermore, only 28% report having a high level of adoption outside of HR.

The adoption "leakage" therefore is 24 percentage points for the HR population and 43 percentage points for the non-HR population.

This means that people analytics teams sharing data interactively or investing in specialised technology for data democratisation does not necessarily ensure its desired, ultimate outcome. That is, using people data and insights to make better decisions

What is "leakage" in analytics adoption?

Leakage is the difference between the percentage of organisations that report democratising people analytics data and the percentage of companies that report a high level of people analytics products adoption across the enterprise.

The difference describes the loss of adoption of people analytics products.

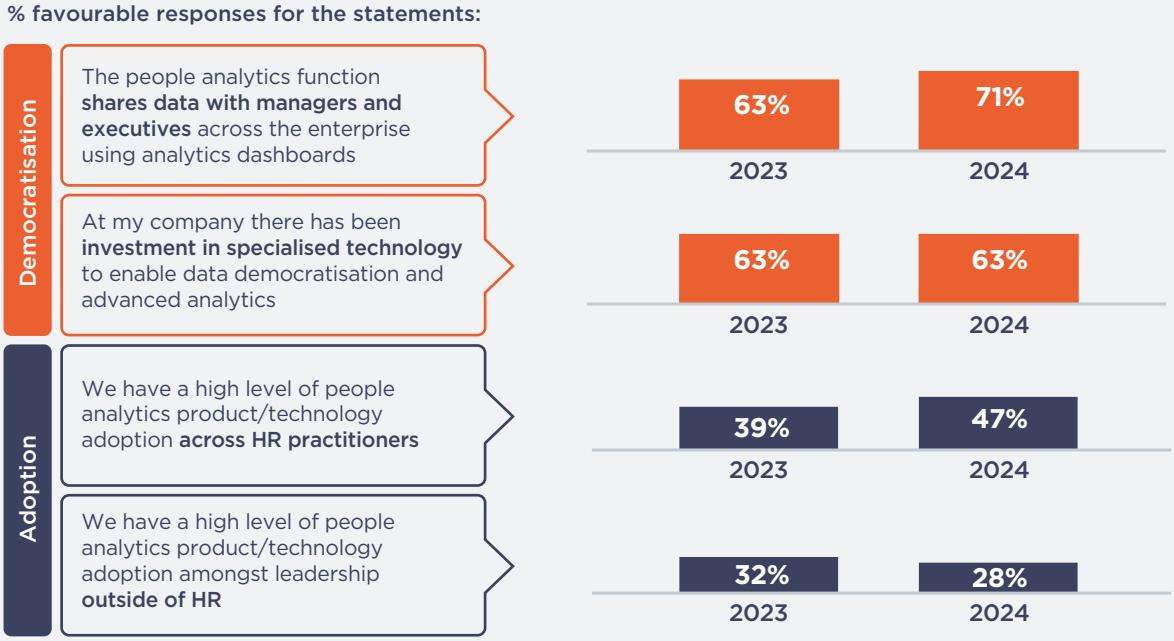
When we study this in even greater detail, we see similar "leakage" between our research in 2023 and in 2024 (see Figure 11).

In summary, Figure 11 shows that actions and investments pertaining to data democratisation remain high and, in some cases, continue to increase. But, on the other hand, adoption of products and technology enabling data democratisation remains lower.

Looking further into adoption behaviour, we see that adoption among HR practitioners has increased by 8 percentage points compared with last year, whereas adoption among leadership outside of HR has decreased by 4 percentage points. This implies that whatever is happening with the excitement of data democratisation and adoption of analytics, the "hype" isn't reaching the end-users at the same rate.

FIGURE 11

The trend in the democratisation and adoption of analytics



There are two plausible explanations behind this leakage.

The first explanation is poor change management: there are simply not enough activities aimed at the end-users of people analytics products. These activities should highlight relevant use cases, explain the dos and don'ts, and, most critically, explain the benefits. The WIIFM practice must be deployed – "what's in it for me". Our data shows that only 32% of people analytics teams report having worked on targeted campaigns or change management to drive adoption of people analytics products, and only 13% report having a change manager.

The second explanation is that the people analytics teams do not have the skills to scale analytics products, and therefore adoption lags production. Our data shows only 28% report having a product manager and only 11% of people analytics teams report having a user experience (UX) designer.

These findings serve as a strong call to action for people analytics leaders to start shifting focus from just the analysis to the adoption of scalable products. Some companies, however, are doing this well. Julius Bär is one of them, as outlined in the case study on the next page.

Case Insight from Julius Bär: Democratising Data to Achieve Its True Purpose

Julius Bär is the leading Swiss wealth management group and a premium brand in this global sector, with a focus on servicing and advising sophisticated private clients. Adam Tombor joined the firm approximately three years ago as the Global Head of People Analytics.

As Adam reflects on what he inherited when he joined Julius Bär, he describes a difficult situation: "Managers had access to approximately 800 reports in Workday, but 99% of the reports often yielded no practical insights. This was due to complex access rights and a lack of understanding of stakeholders' data and reporting needs."

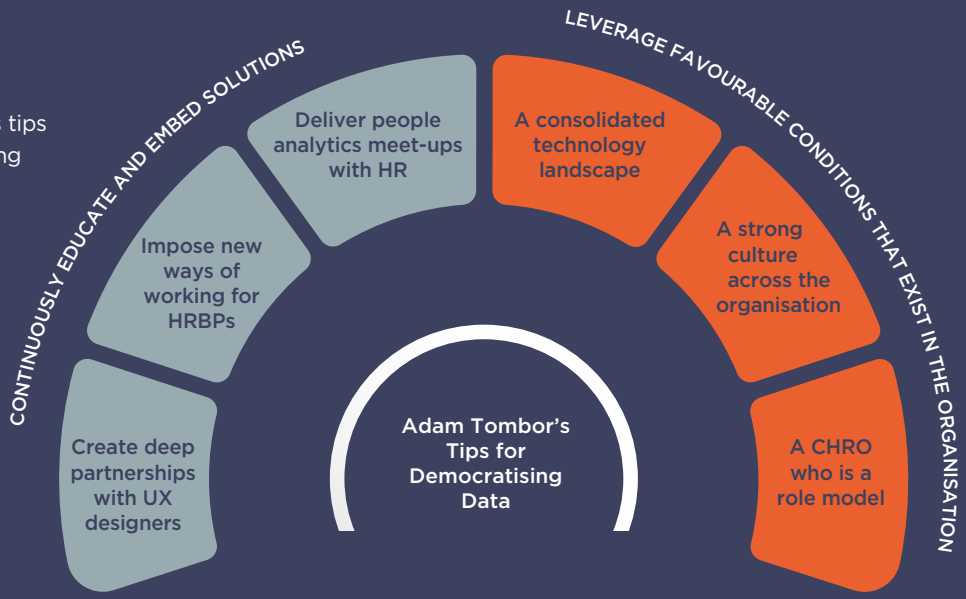
Adam knew the situation had to change and that the success of the people analytics team lay in making sure that data, insights, and analytics were easily accessible to not only the HR function, but also to business leaders and other corporate functions, such as finance. With Adam, the people analytics team has made tremendous progress in the last three years.

In the first couple of years, Adam and his team were laser-focused on building self-service: automated solutions so that HR business partners (HRBPs) and other leaders could access their own data. As a result, the people analytics team has shifted from delivering reports for others to showing others how to access and use the solutions when they need them. Adam proudly talks about a few examples of these solutions that he has mobilised:

- **Strategic recruiting workbook:** Designed especially for recruiting relationship managers (RMs), one of the most strategic roles in the firm; includes metrics such as the number of RMs hired year-to-date (YTD), candidates in advanced stage, projected candidates by year-end, and the current number of hires against the targets.
- **Holiday accrual forecast:** Designed to give a detailed picture of accrued employee holidays and associated costs. Holiday accruals can be a significant liability on the balance sheet and therefore is important to monitor.
- **People analytics library:** Designed to provide business intelligence and serve as the one-stop shop for all HR dashboards.
- **Manager dashboards:** Designed to help managers have a better understanding of their team distribution, learning and development, absenteeism, and talent opportunities.

However, Adam clarifies: "It is not just about building these products and solutions to democratise data. There are two key elements to enable adoption." These are shown on the next page and in Figure 12.

FIGURE 12
Adam Tombor's tips for democratising data



1. **Continuously educate and embed solutions:**
   a. Deliver monthly people analytics meet-ups with HR. The entire HR function is invited to meet-ups organised by Adam's team. The agenda focuses on topics like "How to use a dashboard", teaching concepts like "What does annual rolling turnover mean?", and building basic understanding of data security models.
   b. Impose new ways of working for HRBPs. Leveraging the standard reporting process was included as an annual performance target for each HRBP to steer them away from manual requests for HR reports.
   c. Create deep partnerships with UX designers. Detailed design thinking takes place before building any people analytics solution.

2. **Leverage favourable conditions that exist within the organisation:**
   a. A consolidated technology landscape: Julius Bär has a single HR system (Workday) that is considered the single source of truth and houses all employee lifecycle data. The absence of disparate systems and fragmented technology has been a significant enabler of data democratisation.
   b. A strong culture: Julius Bär fosters a culture that allows the people analytics leader to deselect requests for customised solutions to solve individual problems, while focusing on delivering greater solutions that will solve multiple problems.
   c. A CHRO who is a role model: At Julius Bär, the CHRO uses people analytics products and solutions. He has been relentless in driving the message that if the data and insights derived from dashboards can be shown to the C-suite, it is good enough for the rest of the firm.

Adam acknowledges the favourable conditions he inherited, recognising that not all people analytics leaders will have this experience. In terms of advice to other people analytics leaders embarking on a similar journey, he highlights two things:

1. **Make access easy.**
2. **Have a vision and be ruthless about executing it.**

04
“A” Teams

Our People Analytics Trends report in 2023[11] provided specific details and guidance on how companies can transition between different “states” of people analytics. This is not a “maturity model”, which implies that a function can only mature to the next level if it has been through the immediate prior level. Instead, we identify these states as ABCD Teams. Each of these teams has particular characteristics, and each provides the platform to transition to a more impactful level.

This model, the Leading Companies Model (see Figure 13), has eight characteristics across two dimensions.

FIGURE 13
The Leading Companies Model: ABCD Teams can be plotted along the two dimensions of investment and value

In summary, the dimensions and characteristics are:

Investment in:

1. influencing key stakeholders;
2. prioritising important business (not just HR) topics for analysis;
3. developing three important analytical skills;
4. creating strong ethical practices for people data.

Value through:

5. measuring financial outcomes;
6. democratising people data and insights across the enterprise;
7. productising people analytics solutions at scale;
8. building data literacy throughout the HR function.

ABCD Teams

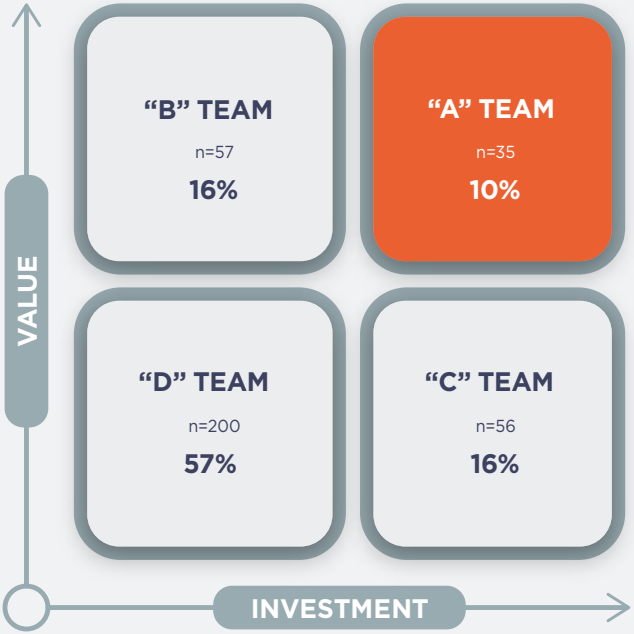
Our research across the 348 companies surveyed this year allowed us to identify each company within the Leading Companies Model once again. Similar to the distribution for the companies in last year’s research, we see that most organisations are “D” Teams. They are low in investment and low in delivering value (see Figure 14).

Disappointingly, the number of “D” Teams has decreased by only two percentage points in the last 12 months. In 2023, 59% of companies were identified as “D” Teams, while this year 57% of companies are identified as “D” Teams.

This indicates that at the macro level, progress in delivering value in people analytics is less speedy than we would wish.

However, rather than focus on the lack of progress, let’s look at what makes the best companies thrive in people analytics by dissecting what “A” Teams do.

FIGURE 14
The proportion of people analytics functions, from our surveyed companies, that meet the criteria for each of the ABCD Teams in the Leading Companies Model



“A” Teams

If there is one question that is asked by CHROs and other senior HR executives more than any other about people analytics, it is “what are the best doing?” Our research into “A” Teams helps answer that question and provides guidance that other companies can learn from.

“A” Teams are more likely to be established the longest – the median average tenure of “A” Teams is six years, compared with three years for “D” Teams. Over time, “A” Teams have consistently delivered business value and purposefully set about investing in stakeholders, advanced analytics, skills and ethics. Our research finds that nearly all “A” Teams play an essential role in defining the people strategy and effectively prioritise their work accordingly. We look at this below.

“A” Teams are very good at using their investments well. They influence at the most senior levels, prioritise exceptionally well to focus on strategically important projects, and they build teams to combine consulting skills together with mathematical and behavioural scientific skills. They also invest in the ethical use of people data.

“A” Teams also deliver value. Compared with other teams, they measure the value of people analytics financially. This is helped by their relationships with top executives, noted above, who they can influence to help them align outcomes with organisational goals and commercial targets.

In addition, “A” Teams democratise data well, personalise solutions for employees and managers, and create a culture across HR for using analytics.

In short, “A” Teams are embedded across the HR function and, as such, tend to be directly aligned with – and sometimes responsible for – setting and delivering the people strategy.

People Strategy and People Analytics

Recent research by Insight222 into the symbiotic relationship between people strategy and people analytics confirms why this focus by “A” Teams on people strategy and prioritisation is so significant.[12]

Over the last four years, there has been a shift in the importance of people analytics for HR – and for the CHRO specifically. Since HR is responsible for the people strategy of the business agenda, people analytics has become essential in creating, driving, and refining the people strategy.

With more people topics on the agenda for boards and executive teams than ever before, the CHRO must be equipped with evidence-based insights and recommendations from their people analytics team.

“A” Teams and People Strategy

In short, across the globe, people analytics is at the heart of driving the people strategy. And people strategy is driving the prioritisation of people analytics.

Our research finds that 89% of “A” Teams play an essential role in defining the people strategy, compared with 57% of “D” Teams. Furthermore, 91% of “A” Teams have an effective prioritisation process (compared with 51% of “D” Teams). And additionally, 97% of “A” Teams will reprioritise work to focus on the most strategic C-suite priorities, compared with 79% of “D” Teams. This is all highlighted in Figure 15.

FIGURE 15
The percentage of “A” Teams and “D” Teams defining the people strategy and prioritising people analytics work

At my company:	“A” TEAMS	“D” TEAMS
People analytics plays an essential role in defining the people strategy	89%	57%
We have an effective prioritisation process within our people analytics team that ensures we are working on the most impactful projects	91%	51%
We frequently reprioritise work within the people analytics team to focus on the most strategic C-suite priorities	97%	79%

“A” Teams play an essential role in defining the people strategy, and this in turn drives their priorities. People analytics leaders looking to elevate the role of the people analytics team in their organisation can learn from the actions that “A” Teams take, as shown in Figure 15.

“A” Teams and Business Priorities

To understand why “A” Teams deliver impact, it is also useful to understand which business priorities they are focused on. These are the topics that are the most important at the C-suite, business executive and HR executive level, and have been prioritised by the people analytics team against clear, and agreed, criteria.

What our research has uncovered is that a higher proportion of “A” Teams are supporting these business priorities than “D” Teams (see Figure 16).

FIGURE 16

The percentage of “A” Teams and “D” Teams supporting their company with each business priority

These results might be what we would expect, as a differentiating characteristic of “A” Teams is that they undertake advanced analytics on the most important business priorities. Nevertheless, understanding which priorities “A” Teams support their organisations with, and the extent to which they do this, helps people analytics leaders consider the strategic topics they should be focusing their team’s efforts on to drive more value for their organisation.

05
Value

Value can be measured in many ways. However, for people analytics, four types of value are described:[13]

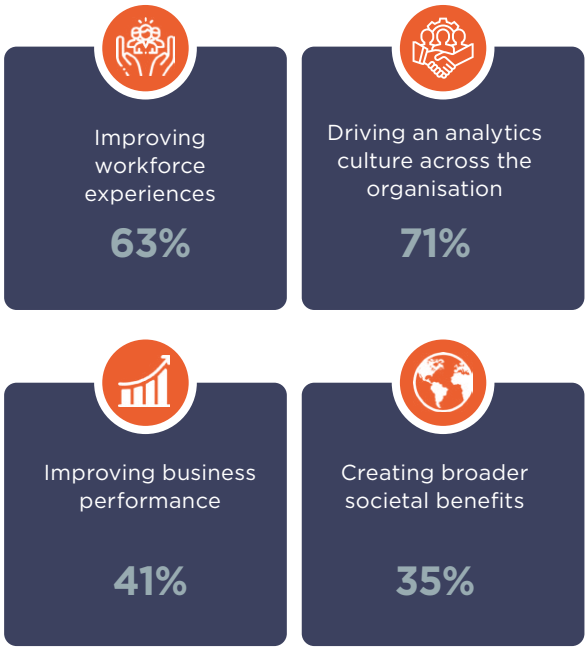
1. **improving workforce experiences (for example, employee engagement, well-being, etc);**
2. **driving an analytics culture across the organisation (for example, democratising people data to managers, improving data literacy in HR, etc);**
3. **improving business performance (for example, improving productivity, increasing sales, delivering improved profits);**
4. **creating broader societal benefits (for example, creating more inclusive teams and communities, driving for sustainable people practices, etc).**

In our research we used these four definitions of value to find out what types of value had been measured in the previous 12 months.

Figure 17 shows that 63% and 71% of companies surveyed measure value for the first and second elements. This is similar to what we described in our People Analytics Trends 2023[14] report, which outlined 70% and 71% respectively.

However, only 41% and 35% of companies surveyed in 2024 are measuring improving business performance and creating broader societal benefits from people analytics activities, respectively. These results are marginally better than in the People Analytics Trends 2023 report, which showed 39% and 34% respectively.

FIGURE 17
Four value outcomes of people analytics (percentage of companies that have created measurable impact within each in the last 12 months)



No measurable outcome(s) created: 11%

What is most interesting, though, is that the desire to measure value is noticeably greater than the actual measurement shown above. This phenomenon is discussed on the next page.

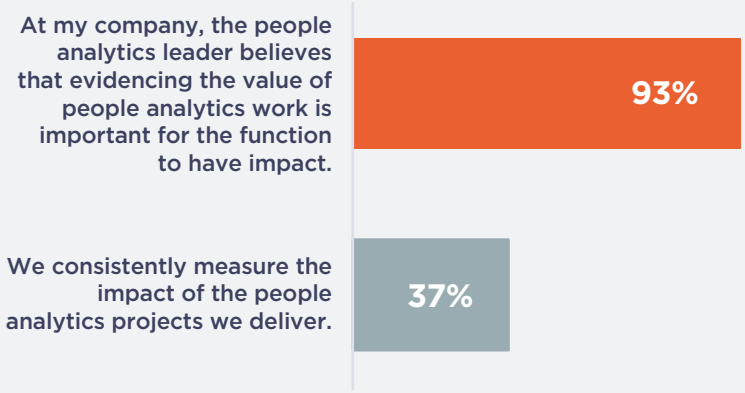
Desire to Measure Value Outperforms Actual Measurement

There is a strong desire for measuring and evidencing the value of people analytics. Of the 348 organisations in our research, 93% of them believe it is important to measure and evidence the value of people analytics in order for the people analytics function to have impact. On the other hand, only 37% consistently measure impact (see Figure 18).

The gap between the desire to measure and actual measurement gets starker between "A" Teams and "D" Teams. For "A" Teams, 100% of those companies believe it is important to measure value and 66% actually measure it. Among "D" Teams, 90% believe it is important to measure value, yet only 22% of those teams do so.

These figures speak for themselves. The majority of "A" Teams are doing what they wish to do, but only a very small number of "D" Teams are successful in measuring value, even though they want to.

FIGURE 18
Percentage of companies that believe in measuring value of people analytics work vs those that consistently measure the impact



Creating Measurable Outcomes Varies by Teams, for Some Outcomes More Than Others

Delving deeper into the four types of outcome, we see some patterns emerging (see Figure 19).

First, "A" Teams are measuring value more than "B" Teams, then "C" Teams, then "D" Teams. This is no surprise, since the Leading Companies Model (see Figure 14 in Section 04) has the financial measurement of value as one of its characteristics.

Second, the variability among the ABCD Teams is much higher in two out of the four outcomes – improving workforce experiences and improving business performance. In the other two outcomes – driving an analytics culture and creating broader societal benefits – the differences are relatively less stark.

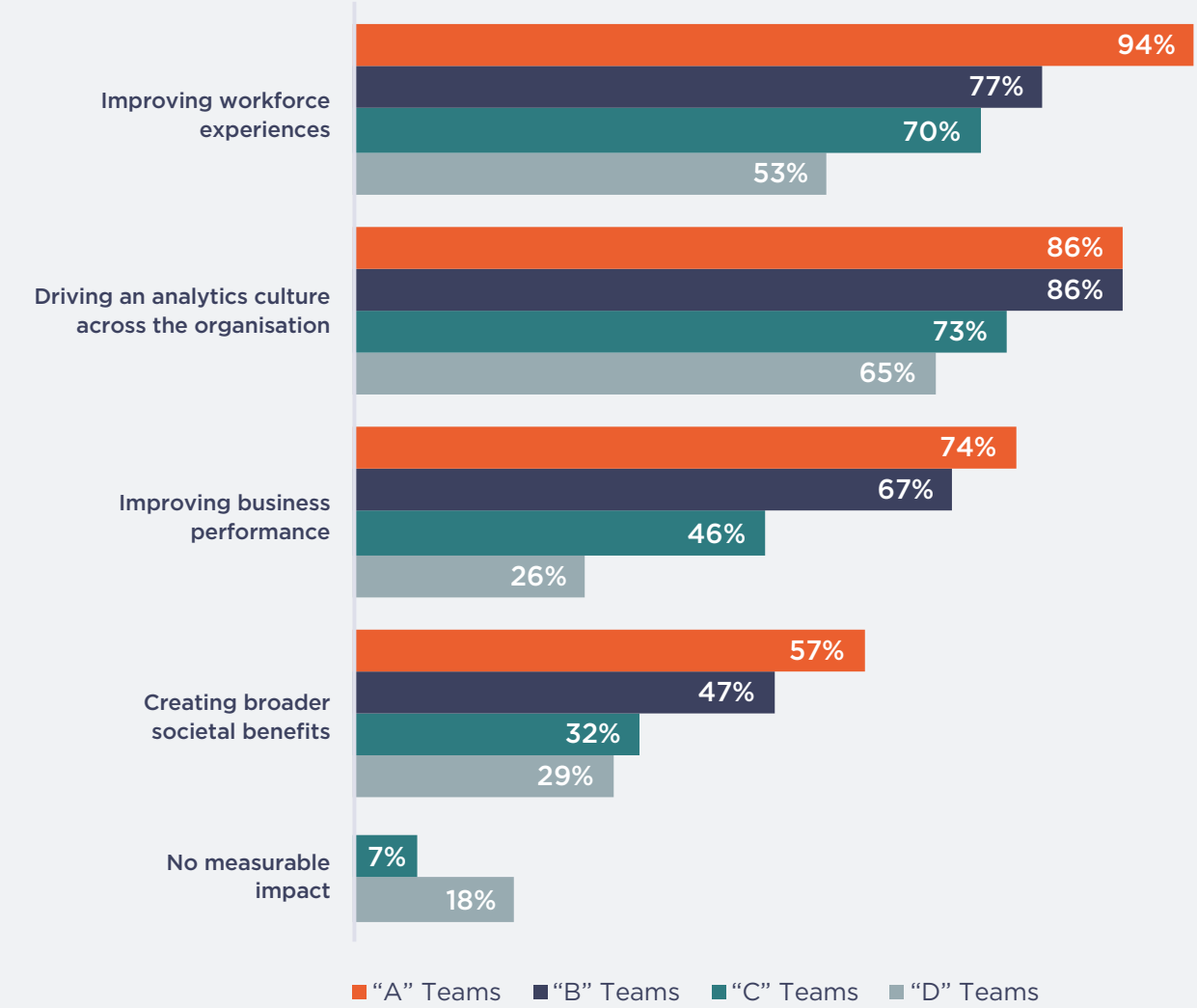
Third, a majority of organisations across all four team types are creating measurable impact in driving an analytics culture across the organisation. This is good to see, since driving cultural change will, over time, enable the other three "value drivers" to change.

Fourth, all teams are measuring impact in creating broader societal benefits to a much lesser extent.

Finally, a small segment of "C" and "D" Teams report having no measurable outcomes. While this is not surprising, it does raise questions regarding such teams' effectiveness and whether they should exist at all!

FIGURE 19

What measurable outcome(s) has your people analytics function created over the last 12 months?



The Gap Between Desired and Actual Time Spent on Improving Business Performance Is Large

When we study the actual time spent against the desired time spent on driving the four value outcomes described on the previous page, we see that the biggest discrepancy is in improving business performance. In summary, seven out of ten people analytics teams want to spend more time improving business performance (through the measurement of it), while only 27% of teams actually do spend at least 25% of their time on people analytics that demonstrates value in improving business performance (see Figure 20).

These results indicate that most people analytics leaders see improving business performance as a very important outcome for people analytics. But it feels like they are unsure of how to drive it. Further research is needed to understand the factors contributing to this gap.

FIGURE 20

The proportion of people analytics teams spending 25% or more of their time on each area of focus vs where the people analytics leader would like the team to spend 25% or more of their time

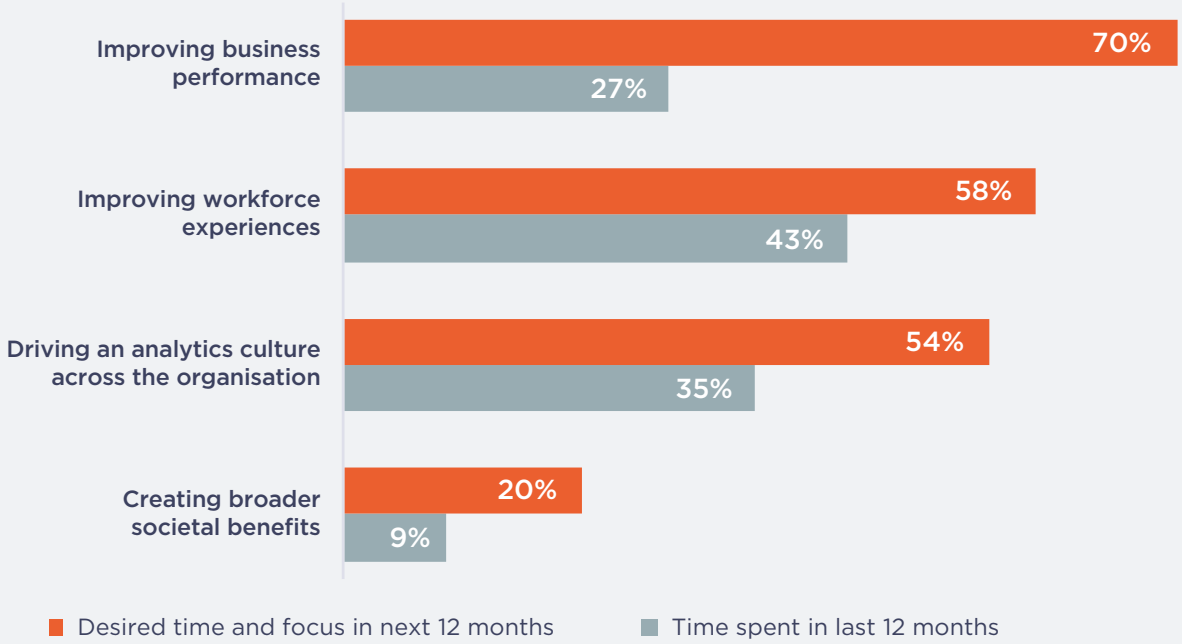


FIGURE 21

Proportion of people analytics teams that have worked on particular topics to improve business performance at their organisations

Teams that report having worked on improving business performance typically work on topics such as attrition, rewards (for example, salary, bonus), cost optimisation, and employee productivity. As Figure 21 suggests, the further away teams move from employee-related topics (for example, attrition, retention, rewards) towards commercial topics (for example, profitability, customer retention, customer service), the lesser the contribution of people analytics.

We believe that over the years, with better data infrastructure, better prioritisation, and greater awareness of the value of people analytics, it will become more common for people analytics functions to contribute to business-oriented and commercial topics.

Of the topics listed in Figure 21, five were reported to have the most tangible impact. In other words, people analytics teams were able to show measurable differences as a result of their work on: cost optimisation, sales performance, absenteeism, employee retention, and employee attrition (see Figure 22).

FIGURE 22

Percentage of companies (out of those that reported working on that particular topic) that measured a tangible impact resulting from the work

1	Cost optimisation	63%
2	Sales performance	54%
3	Absenteeism	49%
4	Employee retention	49%
5	Attrition	42%

In conclusion, for those organisations looking to increase their people analytics impact on business performance, Figures 21 and 22 provide good guidance on which topics are worth pursuing and prioritising.

06
Recommendations and Advice

It is clear from the conversations we have had during this research, and the analysis of the data itself, that two things are happening – and have happened over the last five years – in the field of people analytics:

1. People analytics is growing: Investment is being made – at the macro level, and in most organisations – in both analytics practitioners and in technology, data and processes.

2. Measurement is lacking: People analytics solutions – again, at the macro level – are not being adopted, democratised or measured as much as would be expected, and as much as they should be.

With all the excitement about people analytics, it feels like the discipline is now at a crossroads.

In one direction, if the value from people analytics is not demonstrated in the coming years, people analytics will likely decline in relevance.

In the other direction, if value is demonstrated and adoption is improved, people analytics will go from strength to strength as a business imperative.

Clearly, all those who have invested time, energy and effort in "the people business" want to see the second dominate. For this to happen, there are a number of actions that people analytics practitioners, leaders and CHROs can take. Three actions, in particular, resonate:

1. Improve the adoption and consumption of people data and insights by employees and managers. Much has been discussed in this research on the democratisation of data, but more needs to be done with this and – more importantly – the adoption of analytically infused solutions. The adoption and use of insights is key if more value is to be realised from people data.

2. Use AI to mobilise and personalise analytics solutions. Use technology to bring analytics "alive" in front of the consumers: employees, managers and executives. AI and gen AI will take the personalisation of solutions to the next level.

3. Measure the value of people analytics. If one action, above all others, could change the trajectory of people analytics, it is this: involve finance colleagues to measure and track the impact of people analytics. To secure more investment for the future, nothing is more effective than proving return on investment. In turn, value will be created for the organisation and will improve the workplace experience for employees simultaneously.

Caselet from Phil Willburn at Workday: Insights and Action

In a recent interview[15] for the Insight222 Digital HR Leaders Series, Phil Willburn, Vice President of People Analytics at Workday, summarises the crisis and opportunity for people analytics:

> I think as a community, we struggle in two broad areas. First, we continue to struggle to scale the impact of people analytics.
>
> When I talk to practitioners, to me [there] is really a crisis of adoption. We produce so many analytics products and yet we oftentimes have low adoption in our products. I think if we're going to create scale in people analytics, we really need to ensure our analytic products are adopted and used in an effective way, so that's the first one there.
>
> It is about embedding those insights into the way that the business runs their work.
>
> The second one, I think, the trend that I would say we still need to make progress on, is that we've unintentionally broken the link between insights and action. And what I mean by that is, as a profession, we've been really drawn towards these very compelling BI [business intelligence] tools that provide cool and sexy visualisations, which is all good. I mean, I love them too, but it's quite difficult to then take that, consume that and take a particular action. Also, I think that's contributed to adoption in analytic tools. If you view something and then don't know what to do, or are not able to take action, that's a difficulty.

In summary, our three-point plan for next steps is:

1. **Improve the adoption and consumption of people data and insights by employees and managers.**
2. **Use AI to mobilise and personalise analytics solutions.**
3. **Measure the value of people analytics.**

FIGURE 23
Insights from "A" Team people analytics leaders

During our research, we asked people analytics leaders in "A" Teams: "As you reflect on measuring the value of your people analytics work and the impact your function has made, what recommendations would you give to a fellow people analytics leader?"

And so, in conclusion, we are pleased to share their insights (see Figure 23).

> Work cross-functionally, especially with finance, IT and your core business functions. If you do that, you'll have impact.

> Ensure that the KPIs used to measure the impact are defined and agreed upon from the outset of a program/project."

> Anchor your roadmap in HR and the company's strategic priorities instead of HR trends/fads.

> Make the output and recommendation tangible and aligned to business interests and priorities. Insights without a "home" are difficult to action.

Assume that all insights need to be boiled down to their simplest language for non-technical audiences.

Use financial figures to grab business attention and closely connect all initiatives with business or HR strategy.

It is important to focus on the highest priorities, and the unintended consequences of making a bad (priority) decision.

Develop a methodology for adoption, in consultation with finance that can be used across the people team, not just the analytics team. This way you show value and get traction.

It's crucial to define clear, actionable metrics that resonate with stakeholders.

Methodology and Demographics

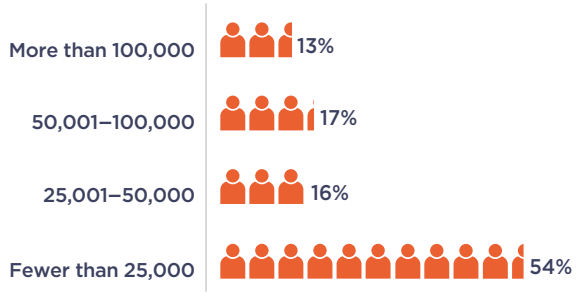
The report is based on a survey of 348 global companies conducted by Insight222 in May and June 2024. The survey was sent directly to and completed by the people analytics leader in that company with accountability for the function. These organisations are collectively responsible for over 20 million workers and operate in more than 180 countries.

INDUSTRY

Companies surveyed in each industry group

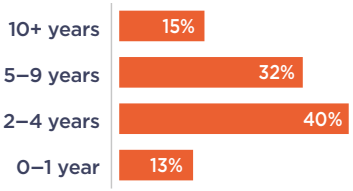
COMPANY SIZE

Number of employees



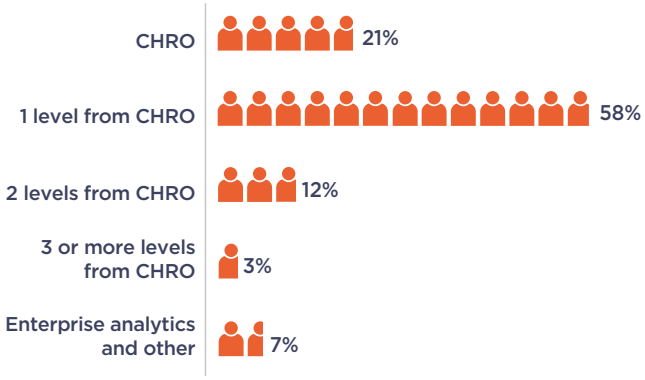
TENURE

Of the people analytics team

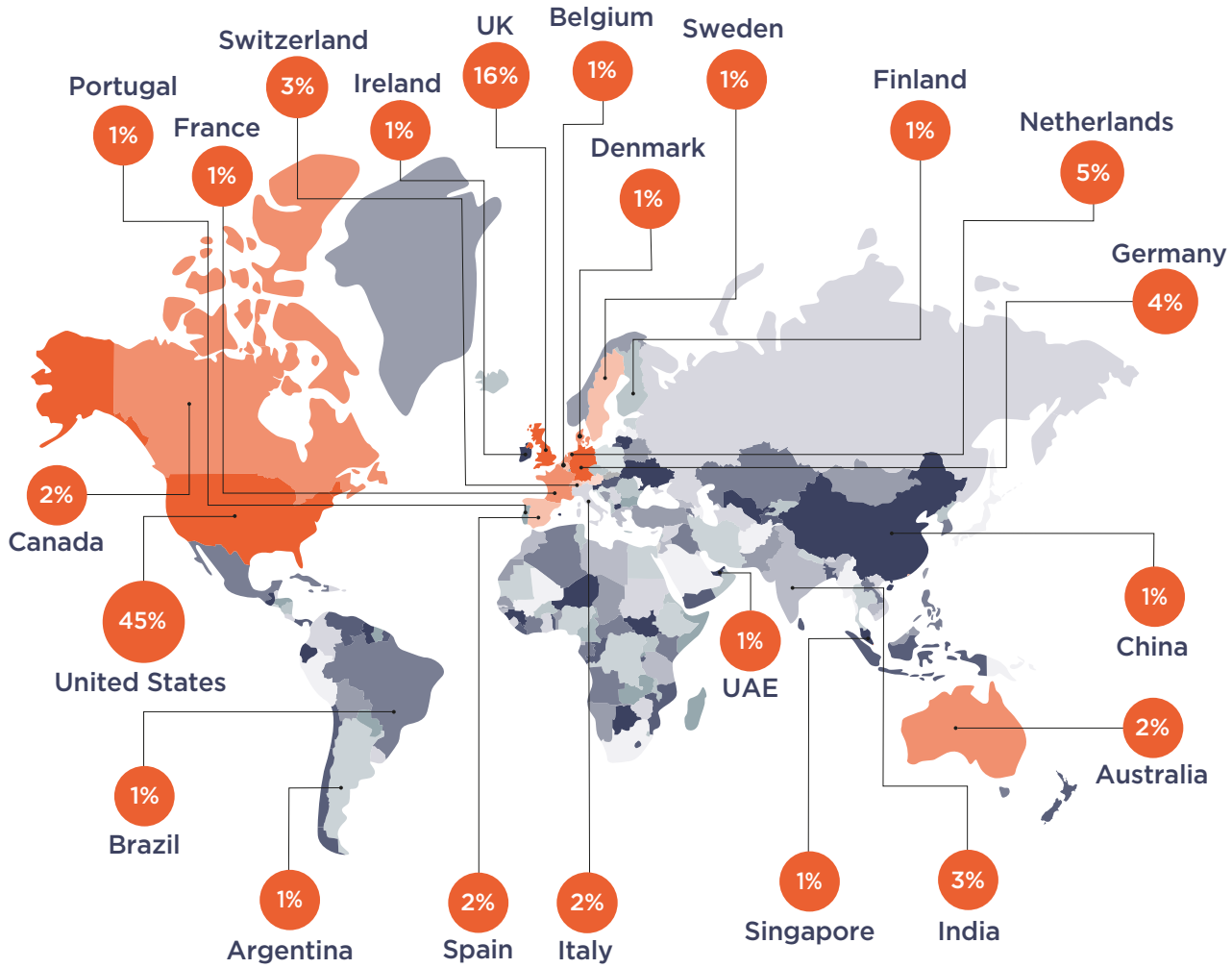


PEOPLE ANALYTICS LEADER REPORTING LINE

Leaders reporting to:



COUNTRY LOCATION OF PEOPLE ANALYTICS LEADER



There were respondents from each of the following countries which, combined, make 4% of the total respondents: Austria, Bolivia, Chile, Colombia, Estonia, Israel, Kenya, Malaysia, Norway, South Africa, South Korea, Trinidad & Tobago, and Turkey.

Endnotes

1 Ferrar J., Verghese N. & Binder-Matsuo H. 2023. *Investing to Deliver Value: A new model for people analytics.* Insight222. Available at: https://www.insight222.com/what-we-do-our-research [Last accessed 20 September 2024].

2 Deloitte. 2024 (June). *2023 High-Impact People Analytics Research: Powered by Insights2Action™*. Deloitte. Available at: https://www2.deloitte.com/content/dam/Deloitte/us/Documents/human-capital/us-high-impact-people-analytics-report.pdf [Last accessed 20 September 2024].

3 OpenAI. 2022 (30 November). Introducing ChatGPT. Available at: https://openai.com/index/chatgpt/ [Last accessed 20 September 2024].

4 Verghese N., Ferrar J. & Pettman J. 2024. *Building the People Analytics Ecosystem: Operating Model v2.0.* Available at: https://www.myhrfuture.com/blog/building-the-people-analytics-ecosystem-operating-model-v20 [Last accessed 20 September 2024].

5 The EU AI Act was published in the EU Official Journal on 12 July 2024, and is the first comprehensive horizontal legal framework for the regulation of AI across the EU; regulations are currently in effect or passed across a number of US states. For a comprehensive guide of AI regulations and market standards for responsible AI, see: https://fairnow.ai/guides/ [Last accessed 20 September 2024].

6 https://www.se.com/us/en/about-us/company-profile/ [Last accessed 30 September 2024].

7 https://www.dataiq.global/award-winner/environmental-social-and-governance-esg-ai-award-schneider-electric/ [Last accessed 2 October 2024].

8 Ferrar et al. (2023), note 1.

9 Verghese et al. (2024), note 4.

10 Ferrar J., Styr C. & Ktena A. 2020. *Delivering Value at Scale: A new operating model for people analytics.* Insight222. Available at: https://www.myhrfuture.com/blog/upskilling-the-hr-profession-building-data-literacy-at-scale [Last accessed 2 October 2024].

11 Ferrar et al. (2023), note 1.

12 Verghese et al. (2024), note 4.

13 Ferrar J. & Green D. 2021. *Excellence in People Analytics: How to use workforce data to create business value*. Kogan Page, London.

14 Ferrar et al. (2023), note 1.

15 Green D. & Willburn P. 2023. Episode 143: How Workday Created an Impactful People Analytics Function (Interview with Phil Willburn). Available at: https://www.myhrfuture.com/digital-hr-leaders-podcast/how-workday-created-an-impactful-people-analytics-function [Last accessed 2 October 2024].

Authors

Jonathan Ferrar

Jonathan is a globally recognised business advisor, speaker, and author in HR strategy and people analytics. Jonathan has worked in corporate business with extensive executive leadership and board advisory experience for almost 15 years with companies like Andersen Consulting (now Accenture) and IBM. He is co-author of *Excellence in People Analytics* (Kogan Page, July 2021) and *The Power of People* (Pearson, May 2017). He is the vice-chair of the board of the Chartered Institute of Personnel and Development. Jonathan has worked with clients all over the world and lived in both London and New York for substantial periods of his career.

Contact Jonathan at jonathan.ferrar@insight222.com

Naomi Verghese

Naomi is an experienced business professional with over 15 years' experience, mainly in the financial services industry. She has undertaken roles as an HR business partner, HR chief of staff, and as a commercial sales analyst during her time at Barclays. Naomi played a key role in the establishment of the people analytics team at Barclays and led the development of a people analytics consulting capability. In the last eight years, Naomi has dedicated her career to people analytics, with particular expertise in consulting with business executives, HR leaders, and other stakeholders.

Contact Naomi at naomi.verghese@insight222.com

Madhura Chakrabarti

Madhura has held various practitioner and consulting roles throughout her career, and prior to joining Insight222 in 2024, she was the Global Head of People Insights and Analytics at Syngenta based in Basel, Switzerland. Other previous companies include Deloitte, Dell Technologies, and Ford Motor Company. Madhura is an active member of the Society for Industrial Organisational Psychology (SIOP) and is an accomplished public speaker. Her work has been published in the *Journal of Business and Psychology* and the *Oxford Handbook of Positive Psychology and Work* (Oxford University Press, 2009). Madhura has degrees from the University of Delhi, India, and Wayne State University, Michigan, USA, where she received her PhD in industrial/organisational psychology.

Contact Madhura at madhura.chakrabarti@insight222.com

About Insight222

Insight222 research provides business executives and HR leaders with insights and recommendations to advance the HR profession to become more evidence-based. Through partnerships with leading practitioners, academics, and thought leaders, we share ideas, pragmatic frameworks, and structured guidance.

Insight222 is a global services and solutions company that enables organisations to deliver business value through people analytics and digital HR. The team at Insight222 provide consulting, learning, and networking solutions to chief human resources officers and their key staff in analytics, strategy, and planning. Insight222 clients and partners – typically large, multinational organisations – include some of the world's leading brands.

Find out more at **www.insight222.com**

Acknowledgements

The authors would like to make a special mention of the following individuals, who contributed to this research through interviews. We thank them for their enthusiasm for our research and the profession of people analytics. They have been quoted within this report:

Adam Tombor, Global Head of People Analytics at Julius Bär

Peter Ryan, Global Director, People Analytics at Schneider Electric

Phil Willburn, Vice President of People Analytics at Workday

The authors are also grateful to the people analytics leaders from the 348 companies who contributed to this research during May and June 2024.

The authors would also like to extend thanks to the following individuals at Insight222 for their contribution to this report:

David Green, Senior Vice President and Managing Partner, for his ongoing help in creating the pool of discrete and recognised people analytics teams in organisations across the globe, to enable us to maximise our research in a consistent way since 2020.

Jay Dorio, Senior Vice President and Managing Director, Products and Services, for his detailed work on the survey design and production.

Onyinyechi Ogugua, Senior Business Analyst, for conducting the data analysis for this research and for producing the People Analytics Trends 2024 Benchmark Report for each company who participated in the survey.

Stefan Kesic, Senior Digital Marketing Manager, for his work in making sure the research would reach as many HR leaders and practitioners as possible, with his expert digital marketing skills.

Copyright

INSIGHT 222

INSIGHT®

222