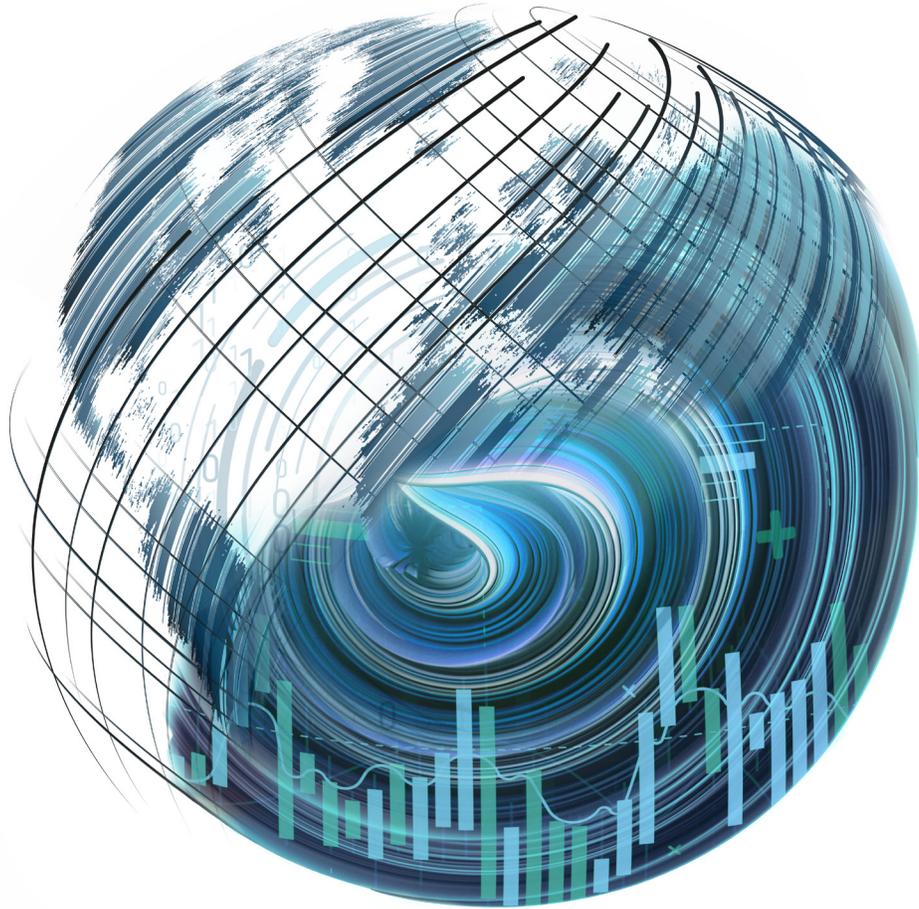


Deloitte.



2023 High-Impact People Analytics Research

Powered by Insights2Action™

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Introduction

People decisions are inherently business decisions. They affect competitiveness, revenue, agility, experience, trust, and more. While that might have gone unrecognized in the past, it is increasingly no longer the case—and many organizations are trying to make up for lost time. Over the past five years, companies have strategically invested in cutting-edge people analytics (PA) capabilities and technologies. As the field expands, the criteria for success continue to change, and the consequences of missteps grow more severe: Poor decision-making. Misaligned priorities. Loss of trust. How are effective companies approaching people analytics amid these ever-changing circumstances? Deloitte conducted research to find out. Over the length of this research, we'll cover the takeaways from that research, highlighting six key findings:



People analytics has become an organizational imperative.



Data culture is the single biggest predictor of PA performance.



Tech investments mean nothing without human capability (and vice versa).



Today's challenges demand more data from more sources.



An expanding customer base means new demands on the PA function.



People data is business data—treat it as such.

Organizations—including yours—need the ability to detect and act on trustworthy insights at scale and with speed. Important decisions should come from a place of confidence, not a hunch. Use this research to help find the signal in the noise—to help maximize returns on your investments and make progress on the path from instinct to insight.

HIPAN research methodology

Deloitte's 2023 High-Impact People Analytics (HIPAN) research surveyed more than 400 organizations across 18 countries to understand the hallmarks of effective people analytics—the practices, policies, and people who help enhance organizational capability. Our survey investigated more than 100 items across 12 topics (e.g., culture, investments, governance) to drill down into specific areas of impact.

Respondent organizations represented a range of industries, with the largest segment coming from financial services (22%). Likewise, individual respondents came from multiple levels within their organization, from C-suite executives (12%) to managers (22%). Additional follow-up interviews with leaders and vendors helped tell the story behind the data.

The resulting data and insights helped create our People Analytics Maturity Model, which assesses organizational capability across multiple factors and dimensions.



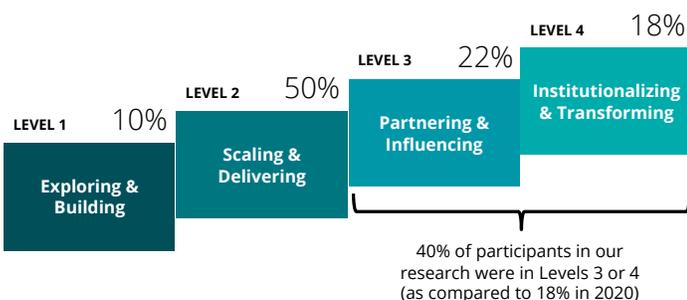


People analytics has evolved from an emerging discipline to an organizational imperative.

The world of work is becoming increasingly bigger and more complex, and so are the problems businesses face. Meeting those issues head-on—or even solving them before they become severe—demands a more quantified approach to the workforce, the workplace, and the work itself. A traditional approach to people analytics—one that treats the PA function as a fulfiller of information requests, operating without a holistic strategy—isn't enough.

Instead, our research shows that high-performing organizations treat PA as its own internal consulting capability with a clearly articulated strategy, a fit-for-purpose operating model, and clear measures of success. Accordingly, more organizations are developing their capabilities. People analytics maturity has increased across each iteration of our High-Impact People Analytics research: from 17% of organizations falling into levels 3 or 4 (the two higher levels in our four-level maturity models) in 2017, to 18% in 2020, to 40% in 2023.¹ However, as the goalposts for what constitutes a mature people analytics function continue to move further out, how will organizations respond and evolve?

High-Impact People Analytics Maturity Model



Keeping pace with a faster world of work

Organizations have faced no shortage of disruption over the past decade, from an economic recession in 2017, to a pandemic in 2020,

to social unrest and a return to work in the years since. Organizations need to be able to make informed decisions and quick pivots in the face of challenges to adapt and thrive. Identifying weak signals—that is, the signs that indicate disruption is coming before a major change occurs—is crucial to preparing organizations to adjust course as necessary.

Such agility is equally important within the PA function itself. A robust people analytics function can forecast turbulence in the workforce and inform adjustments to the talent pipeline before work is disrupted. Partnering with other parts of the business can help people analytics teams sense signals across the organization and encourage action before signals become disruptions. For example, economic uncertainty that is being monitored and quantified by a finance organization may be a signal of talent challenges to come, and a strong partnership with that function could help the PA team stay ahead of the curve.

People analytics as a business

Thinking about people analytics as an *organizational imperative* means approaching it like its own business. Not a science project or an adjunct piece of the human capital puzzle, but a full-fledged internal service provider that directly affects business success. Our research shows this change playing out in real time. PA teams are becoming more formalized—84% of all organizations surveyed in our latest research report having a clear vision and mission for their PA function (a 23% increase from our 2020 research).² And the most mature organizations are twice as likely to treat people data and analytics as core assets that create competitive advantage.

84% of all people analytics teams have a clear vision and mission—a 23% increase from 2020.

Like any legitimate and established business, PA needs more than just a clear vision for how it can contribute to the business and what services it will provide—it must address a variety of legal, financial, and technological concerns (among others). Other functions don't solve for all those issues by themselves, and neither should an effective PA function. Partnerships across the business are a key component of scaling people analytics—not only because other functions possess data that can allow or enrich analyses, but because working together extends their collective capabilities to address larger and more complex business issues. Our research again points to this shift: more than 90% of level-four PA functions report partnering effectively with other business functions (e.g., legal, finance). Working collaboratively with these other functions can also reduce friction in decision-making around what platforms and standards to use, what metrics to report on and how to calculate them, as well as how employee data will be leveraged from both a legal and ethical standpoint.

More than 90% of level-four PA functions report partnering effectively with other business functions.

Getting started



Organizations seeking to mature and scale their PA function to keep pace with the expanding needs of the new world of work should consider:

- **Identifying key business questions and their implications.** A starting point for solving any problem is understanding the problem itself. What are the outcomes your organization needs to achieve? What challenges do you face? Figure out the goal first before taking steps to achieve it.
- **Investing in people analytics as an internal consulting capability.** Prepare the PA function to anticipate and stay ahead of future disruptions by providing it with the tools, technology, talent, and resources necessary to operate as a valuable internal service provider.
- **Establishing partnerships to build a robust offering.** The people analytics function should operate as part of a coalition with other business functions. Partnering with groups such as finance and legal can help reduce friction in decision-making and enhance impact.
- **Understanding your infrastructure (and its strengths and limitations).** At a strategic level, assess your organization's technology and data infrastructure to determine whether it can easily access and integrate data from multiple human capital and business applications. Identify potential gaps and the investments necessary to close them.



A data-centric culture remains the single most influential factor in driving people analytics maturity.

Deloitte's 2020 High-Impact People Analytics research found that a data-centric culture was the single biggest driver of people analytics (PA) maturity.³ Since those findings were published, we've seen vast improvements in technology and the ways in which we analyze and interpret data. But even as the context of a data-centric culture changes, its importance does not: just as it was three years ago, the existence of a data-centric culture *is still the most significant catalyst for people analytics maturity.*

What does a "data-centric culture" look like?

Culture refers to "the way we do things around here": the behaviors and norms that define an organization's work across individuals and teams. As our 2020 study noted, culture provides stability and cohesion, allowing workers and teams to go about their work without "constantly renegotiating how they interact or respond to situations."⁴ And, while culture is inherently specific to each organization, the hallmarks of a data-centric culture are not.

Skills and capabilities are the cornerstones of an organizational culture that recognizes data's inherent value. But in many organizations, basic data literacy—an understanding of fundamental statistics, common errors, and data sources—is lacking or tends to be concentrated within one team or function. High-performing organizations, by contrast, embed data literacy across all levels of the organization as a core component of their culture. Data literacy is a recognized skill, and the organization provides the opportunities and means for workers to develop it. As individual capability grows, organizational capability develops in parallel. The business invests not only the tools and sources to gather more (and more detailed) data but also supports a workforce that can best analyze that data and put it to use.

Leaders play a key role in breaking down the silos that too often relegate data skills to specific business segments. This often involves providing the workforce with the tools and resources necessary to build data proficiency, but it's also reflected in other talent decisions.

Organizations that value data tend to find, hire, and recognize people who do the same. And leaders in these organizations demonstrate and reinforce that culture: Senior leaders in high-performing organizations are nearly twice as likely to demonstrate the importance of data-driven decision-making through their actions.⁵ These leaders and their organizations use people analytics to gain insights about the future and make decisions accordingly—a practice that echoes findings from our research into decision intelligence.⁶

"Senior leaders in high-performing organizations are nearly twice as likely to demonstrate the importance of data-driven decision-making through their actions."

Trust: The foundation of a data-centric culture

All of these cultural manifestations—skills, growth, decision-making—are far more difficult to build if an organization's culture isn't underpinned by trust. Making data-informed decisions is difficult on its face, but it becomes even more sensitive when that data represents (and affects) people. The attendant ethical, legal, and regulatory concerns make trust an integral component to using that data effectively.

Trust as part of a data-centric culture often begins with trust in the data itself. Data's basic function is to tell us what we need to know, and mature PA organizations ensure the data they collect is accurate and relevant to the insights they see and the metrics they measure. Drawing insights from incomplete or incorrect datasets can negatively impact decision-making and erode organizational trust. A workforce that doesn't trust the organization's data won't use it, to the detriment of individual and organizational outcomes alike.

“A workforce that doesn’t trust the organization’s data won’t use it, to the detriment of individual and organizational outcomes alike.”

Transparency around data collection and use is another critical element in establishing trust in a data-centric culture. Making data governance practices and policies clear to the workforce can encourage workers to share valuable data that can inform effective decisions. This means transparency around how data is collected and used; demonstrating how bias is removed from data-backed decision-making; and ensuring workers know the data they provide is secure. Organizations can build platforms to allow workers to engage with the data they provide and give feedback on information they feel is inaccurate. Some organizations are even moving toward shared data ownership with their workers to promote transparency and build trust.⁷

Establishing basic data literacy across the organization is a critical building block toward ensuring the workforce trusts the data and knows what to do with it. The first step toward this can be as simple as targeted education. Teaching data literacy to HR practitioners and spreading data capabilities across teams can help break down HR-centric silos and instill data skills throughout the organization. In addition, organizations at all levels of maturity can work to cultivate data-centric skills and capabilities by creating safe spaces to let those skills flourish. In our people analytics research, we were pleased to find that 83% of respondents felt their senior leadership is supportive of learning through experimentation (both successes and failures), a 27% increase from 2020. Establishing a culture of psychological safety—one in which workers don’t fear retribution for taking chances and experimenting with new ways of work—encourages the curiosity necessary to establish a data-centric culture through creativity and collaboration.

“83% of survey respondents felt their senior leadership is supportive of learning through experimentation (both successes and failures), a 27% increase from 2020.”

Getting started



Consider the following as your organization looks to build its own data-centric culture:

- **Demonstrate what data-driven decision-making looks like.** Senior leaders should model the importance of data-driven decisions through their actions and create safe spaces for the workforce to “fail forward” and learn via experimentation. And the workforce should be afforded tools and training to enhance and extend their decision-making capabilities.
- **Identify targeted interventions that encourage curiosity and creativity.** Teaching skills like data visualization and data storytelling is too often relegated to dry mathematical training. Instead, consider engaging your workers with relatable lessons, case examples, and peer champions to inspire them to seek and apply data and insights.
- **Build data into processes and decision-making.** Increase the visibility and value of data by determining where in talent and business processes you can anchor to the use of data so it becomes the way of doing work, not an afterthought or a “nice to have.”
- **Evaluate and incorporate data skills into the employee life cycle.** Organizations should consider measuring the data capabilities of workers at every stage of their journey, from hiring to development to performance management. How do data literacy and skills influence your hiring decisions? Are the data skills of the workforce congruent with the data needs of the organization?



High-performing people analytics teams balance investments in human and technological capabilities.

Human capabilities and technology are too often developed and managed in silos. It goes without saying that there is no people analytics without people, and humans are essential to driving the value the function can deliver. And the right technology is essential to performing complex analyses and distributing insights at scale. If organizations lack the tools and platforms necessary to standardize, visualize, and deliver data and insights in a meaningful way—or worse, if they attempt to use the technology at hand to completely replace the human element—even the best data will fail to yield optimal results.

From providing analysis to guiding action

Answering the volume and varied nature of questions coming PA's way requires tools to handle the complexity at scale. But internal customers won't always (or even often) speak the language of data. Delivering value as a function, then, also means having the people who can communicate insights in a way the customer understands.

“Delivering value as a function means having the people who can communicate insights in a way the customer understands.”

Traditional—that is, unbalanced—investments in people and technology can result in inefficient or inaccurate data analysis or insights that are never applied to actions, depending on which direction the imbalance favors. Take storytelling: An organization can develop the human capability to create meaningful, impactful

stories, but without the tools to automate and expedite data analysis, people will be too bogged down in rote work to generate timely narratives that enhance customer understanding. Conversely, even the most sophisticated analytic platforms and data tools will not drive meaningful outcomes without people to guide data analysis with intention and to help steer insights into action.

Effective people analytics organizations in our research display balance between their people and technology investments: The most mature organizations are more likely to be highly skilled at data storytelling (4.2x) and sharing data insights (3.2x). They're also more likely to invest in and use advanced data analysis tools such as pure-play PA platforms (14x) and automation tools (8.9x). These tools can simplify the collection, cleansing, and integration of data while also facilitating the distribution of insights to a much larger audience of potential stakeholders. Interestingly, our research reveals that these trends aren't exclusive to the most mature organizations: in the next 12 months, more than 60 percent of all companies surveyed plan to invest in tools for data collection and analysis.⁸

The most mature organizations are more likely to be highly skilled at data storytelling (4.2x) and sharing data insights (3.2x).

Growth requires coordination

Expanding the PA function into an organizational imperative requires careful thought and coordination. Each new item in its suite of products and services brings its own considerations around investment, communications, and customer management.

At a time when demand may well be outpacing resourcing, PA functions need leaders who can manage both effectively, and more to the point, holistically. Product management is pivotal: Human and technological capabilities need to be in sync not only with each other but with the service catalog and customers' needs. Some products will have to be discontinued; others will demand higher investment; still others will need concerted internal marketing. Putting the right people in place to make these product/portfolio management decisions can be the difference between a highly effective function and a loose collection of disparate pieces.

“PA functions need leaders who can manage human and technological capabilities effectively and holistically.”

Getting started



Organizations looking to achieve the type of balance between humans and technology that optimizes their combined impact should look to:

- **Take inventory of existing resources and capabilities.** Be honest in assessing the people and platforms already available to the PA function—and remain mindful of their interplay—to identify what needs improvement or investment.
- **Look outside HR to find needed skills and technologies.** Communicating needs to leadership and tapping into other areas of the business can provide a short-term upgrade while the PA function builds its own capabilities internally.
- **Manage PA services as a portfolio.** Given the diversity of internal customer needs, think about the services your people analytics team currently provides and how you'll build, deliver, and market new services—and how existing services may eventually be sunset. This should help you think about how to allocate resources to areas of need and future growth, while also identifying capabilities that will be needed in the future.



Integrating people and business data from a wide array of sources is central to addressing today's workforce challenges.

Traditionally, workforce analytics started and ended with human resources: HR owned the data, maintained access, and performed the analyses. But leading organizations are widening their aperture on the data that matters, and the rapid evolution of technology is helping expand our understanding of what constitutes “people data,” going beyond HR systems of record to include other business functions like operations, finance, and sales.

Unprecedented access to new and evolving data sources affords organizations novel and tantalizing means to tackle the issues most central to the workforce, but it also presents new questions and considerations: How are larger datasets from diverse sources accessed and managed on an ongoing basis? Who is responsible for data stewardship? How does increased data access affect risk?

More data requires greater diligence

As the number and variety of data sources increases, organizations should be mindful of several potentially complicating factors:

- **The technology environment.** All the data in the world won't deliver on its promise to drive business outcomes if organizations lack the technology needed to ingest, standardize, and connect the data to derive useful insights. Organizations with low people analytics maturity tend to use outdated and limited applications (e.g., spreadsheets) to manage their data, leading to inefficient—or worse, inaccurate—analyses.
- **Data governance.** The types of data the organization collects, the people who can access it, and the ways it is used all present ethical and regulatory questions. If guidelines around ownership, quality, and security are not clearly communicated, or if the ways in which data is used are not transparent, the trust imperative to a data-driven culture can deteriorate rapidly. Providing workers the chance to opt in or out of data collection, and empowering them to see, manage, or even challenge their data when possible, can help strengthen that trust and share value.

- **Standardization.** Different parts of a business often have different ideas of how a metric, standard, or entity is defined. For example, finance may define a full-time employee differently than HR. Or one business unit may look at attrition on a rolling basis while another looks at year-to-date calculations. Definitions and calculations can also vary widely for time to hire and many other common HR metrics. These differences can become even more complicated when organizations try to connect varied sets and sources of data from different parts of the business.
- **Ethical, legal, and regulatory considerations.** Organizations often span a variety of geographies—which means their data does, too. This has legal and regulatory risk implications. Data access can be complicated: the regulatory requirements of where data is accessed are often different than the requirements of where that data is sourced. Further, organizations that don't differentiate between what they can do with data and what they should do and aren't transparent with their workers about how and why their data is being used may run ethical risks with the potential for serious fallout.

Understand the nature of your data

Increased access to exponentially varied data sources can be overwhelming, and it can be difficult to separate what's valuable from what's available. Is the data you're looking for structured (i.e., data with a predefined model) or unstructured?⁹ Will it be collected passively (e.g., through email, collaboration tools) or actively (e.g., via surveys, interviews)? Clearly defining your problem can help: Understanding the nature of what you need to solve and setting concrete guardrails for the type of data you seek can help cut through the noise and surface the data needed to enable decisions and drive outcomes. It can also help to inform what to do with the data once it's obtained.



“Understanding the nature of what you need to solve and setting concrete guardrails for the type of data you seek can help cut through the noise and surface the data needed to enable decisions and drive outcomes.”

Even when organizations understand the data they need to collect and are able to access it, the resulting mass of information can still be overwhelming. It has to be organized and navigable in a way that allows PA teams (and others) to find what they need and use it efficiently. Developing curated data products—selecting discreet data points across a variety of sources that speak to a central issue—can help surface valuable insights to drive toward desired outcomes.

Getting started



Organizations looking to harness the potential of people and business data should consider the following:

- **Let data help define the problem.** By accounting for varied data sources when defining the problem itself, organizations can apply greater intention to the data they collect and analyze, leading to more precise and efficient solutions.
- **Be clear about ownership.** Murkiness about who is responsible for data stewardship and an absence of standardized definitions can hinder progress with diverse data sources. Organizations should clearly communicate who owns the data and establish standardized definitions and libraries of agreed-upon metrics to eliminate duplicative or contradictory work.
- **Understand the ethical, legal, and regulatory environment.** More data can also mean more risk. Rules and regulations differ across geographies and jurisdictions. And worker or public perception around the use of people data is an important consideration. Organizations should be thorough and thoughtful in their understanding of data use implications.
- **Shape data products to cut through the noise.** Increased access to data can be both a blessing and a curse. Curated data products can help bring together large volumes of data from different sources to efficiently address business needs.



People analytics teams face constant demands to innovate, expand offerings, and better serve customers.

For many PA teams, the cycle of demand in growth and expansion can make service delivery feel like a Sisyphean task. For as much as the people analytics function delivers, demand always seems one step ahead. Scaling the PA function's service catalog to meet the ever-growing needs of a rapidly expanding customer base won't happen overnight. It requires a dedicated effort across strategy, talent, technology, process, and governance.

Know thy customer, know thyself

You can't please everyone, at least not all at once. People analytics functions are facing this reality as their customer base grows: More than half of PA organizations have moved beyond traditional HR and business leadership customers to now count external stakeholders, frontline managers, and full- and part-time workers among their customers.¹⁰ Leaders must prioritize customer requests and decide whose needs to address first. For better or worse, it's often been an easy choice: The team (or the leader) who shouts the loudest gets the attention. But focusing on the squeaky wheel can mean missed opportunities to generate business impact.

Prioritizing PA customers means understanding their needs—and how those needs align (or don't) with the function's capabilities and broader business priorities. Gaining that level of insight requires engaging with those groups more frequently and more meaningfully and demonstrating consultative skills. Our previous research found that high-performing functions spent more time working with customers on the front and back end of analytics efforts—both guiding customers as they define their challenges and helping them understand and act on insights.¹¹

“Prioritizing PA customers means understanding their needs—and how those needs align (or don't) with the function's capabilities and broader business priorities.”

An operating model to drive impact at scale

Once the PA function understands who its most important customers are and what their needs are, it can best determine how it can help. And in the face of finite resources and expanding demand, PA leaders should develop a fit-for-purpose operating model and establish guidelines around how the function works to maximize its impact. For example:

- Who determines which projects the people analytics team will work on? And what criteria are used to scope and prioritize these projects?
- Is there an intake process to triage requests effectively? If so, is it designed to efficiently diagnose and address customer needs?
- What data does the function have access to, and what security protocols manage that access? Are there other potentially valuable data sources that the function should seek access to?
- Who decides which portions of the business have access to what data? Is the right technology in place to safely and securely facilitate this access?

An operating model won't continue to meet customer needs if it can't grow with the customers themselves. A frequent blind spot for PA functions is the need to govern their products and services. For instance, if they develop a self-service product to help reduce the volume of ad hoc requests, what guidance can they provide to users to help demonstrate the best ways to use it? A product management strategy that can manage both one-off projects and the development of these types of tools can help the PA operating model flex with customer needs as necessary.

“An operating model won’t continue to meet customer needs if it can’t grow with the customers themselves.”



Getting started



To keep up with a constant call for innovation, PA leaders should:

- **Know and appreciate the customer.** Understanding what the customer wants—and why they want it—is foundational to establishing a PA function that can scale to meet growing demands. From there, organizations should communicate and implement a continuous feedback loop to improve and measure progress. Indeed, the highest-performing organizations in our research were 3.9 times more likely to measure PA impact using internal customer/stakeholder satisfaction¹² (e.g., Net Promoter Score^{®13}).
- **Define and segment the service catalog.** Knowing what the function doesn't offer can be just as important as knowing what it does offer. PA leaders should explicitly map current offerings, determine and monitor the resources needed to deliver its services, and understand the steps necessary to adjust offerings if and when customer needs and use cases change. For example, more than three-quarters of the higher-performing organizations in our research indicated their PA functions are heavily involved in newer or emerging uses cases, such as workforce listening, climate and sustainability, workforce risk, well-being, and workforce productivity.¹⁴
- **Constantly tune and maintain the operating model.** The PA operating model should be fit for purpose and fluid enough to flex with the wants and needs of the customer base. This includes being able to grow and scale to match demand, as well as being able to adjust intake and prioritization approaches based on evolving business needs.



People data is business data and requires the same level of governance, quality, and investment.

Today's organizations understand that data means business, and they're investing accordingly. But while leading companies are prioritizing data maturity and building skills and capabilities across multiple areas of the business (e.g., supply chain and finance), they are not treating people data with the same level of scrutiny and rigor. And as that gap widens, the resulting lack of trust in people data threatens to undermine even rudimentary progress in people analytics.

Our 2020 research found high-performing organizations were 4.3 times more likely than their low-performing counterparts to involve HR in enterprise data governance.¹⁵ And our 2023 findings further reinforce the importance of investing in HR data.

Data is only as good as its governance

As people and technology interact more in the daily flow of work, an ever-widening stream of data is produced. And that abundance of available information presents countless possibilities to create value for businesses and their workers. But organizations' ability to collect data is rapidly outpacing their ability to manage it, particularly when it comes to people data—and the risks are significant.

Unreliable data is untrustworthy data, which can render even the most sophisticated analysis useless. How do organizations establish the infrastructure necessary to generate valuable, meaningful insights and build that trust?

“Untrustworthy data can render even the most sophisticated analysis useless.”

A starting point is to establish what data the organization wants to use, and where it comes from. Our research finds that even with more data available from more places, organizations can sometimes be myopic: When asked how they prioritize the work of their people analytics function, 60% of respondents stated it was determined by

data availability.¹⁶ Not alignment to strategic priorities. Not business impact. These people analytics teams chose what to work on based on where they already had data. And in focusing on where data is, many organizations ignore where data is needed, limiting its impact and hindering efforts to increase adoption and trust. Widening the lens and using a greater variety of data sources can expand its potential use cases, yielding a greater number and improved efficacy of applications.

High-performing organizations are...

- 3.4x more likely to actively develop and maintain data governance policies and protocols
- 4.1x more likely to hold the people analytics team accountable for doing so

That expansion—of the data collected, the places it's used, and the people who use it—requires a higher level of care. Not surprisingly, high-performing organizations in our research have the governance in place to provide that support: when compared to low-performing organizations, they are 3.4 times more likely to actively develop and maintain data governance policies and protocols and 4.1 times more likely to hold the people analytics team accountable for doing so.¹⁷

That governance tends to outline a few critical considerations:

- **Standard definitions.** With greater democratization of data comes greater potential for misinterpretation. Leaders play a key role in determining and owning standardized definitions across the organization to help avoid the comparison of “apples and oranges” across the enterprise.
- **Partners and roles.** People data isn't solely HR's responsibility—IT, legal, and regulatory concerns demand input from those functions and across the business. These groups should work in tandem to ensure the organization's data infrastructure suits people data needs in all areas of the business.
- **Technology and resources.** The business can determine what proper data governance looks like, but, at the end of the day, technology is required for the execution of governance. Thus, organizations need the right tools and training to help establish clarity around data definitions, data lineage, and other governance matters while also identifying data quality challenges that may require action.

Good data infrastructure requires the right investments

The conditions for proper data management demand the right investments—not just in tools and technology, but in time and attention, too. Organizations can start by assessing the investments in people analytics they've already made. This includes investments in technologies that track data lineage and metadata, resources that identify and address data quality, and dedicated roles focused on HR data management. Organizations should also consider investing in the ways in which data is stored and processed, including data warehouses (and data lakes) and data cleansing tools. These investments can move the needle on trust in the data itself: Mature PA organizations are 3.5 times more likely to maintain accurate people-related data than their less mature peers.¹⁸ Organizations can protect and enhance their existing and future people analytics investments through robust data governance that inspires confidence in the workforce to trust talent-related insights.

“The conditions for proper data management demand the right investments—not just in tools and technology, but in time and attention, too.”

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To build the scaffolding necessary for effective people data governance, organizations should consider:

- **Focusing on where data is needed.** Many organizations focus on existing data rather than needed data, which inhibits trust. Broadening the scope opens the door to expanded use cases and increases efficacy.
- **Leaning on leaders to build data ownership and trust.** Leaders can establish who is responsible for various elements of data quality and governance—and make sure that ownership is known throughout the organization, with a focus on establishing credibility among data users.
- **Ensuring collaboration in governance processes.** Effective data governance requires both people and technology. And, since data governance cuts across HR, finance, IT, risk, legal, and other organizational functions, there are many stakeholders that should have a say in what it looks like for the organization.
- **Investing in the right places.** The value of people data will be eroded without the proper investments. Consider what financial, technological, and leadership support people data is receiving compared to other types of data across the organization.



Conclusion

Your organization may be working toward achieving higher levels of people analytics maturity. If you're reading this report, you have a sense for some of the challenges ahead of you. Regardless of where you are in the PA journey, the most important thing to take away from this research is that *the time for action is now*.

Consider how you—your teams, your organization—can move the needle. People analytics is no longer a back-office function. It's a driver of strategic insight, a catalyst for better organizational decision-making, and a better way to navigate an uncertain world.

Endnotes

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