

Accelerating People Analytics

A Data Driven Culture
for HR





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Executive Summary

People analytics – as a function – is growing. Six in every ten companies grew their people analytics team in the 12 months to June 2021 and a further quarter stayed the same size. People analytics teams now have one person for every 2900 employees, up from one in every 4000 in the preceding 12 months.

When we look at the next 12 months to June 2022, three quarters of people analytics leaders predict they will receive even more investment for their teams and eight out of ten leaders predict they will invest in people analytics technologies.

These are the headlines of the *Insight222 People Analytics Trends 2021* research, based on in-depth structured interviews and survey responses from people analytics leaders in over 100 global companies. Most of these companies are household names, which are collectively responsible for over 12 million employees operating in over 180 countries.

Looking deeper, we find that people analytics leaders are highly sought after with 35% of them moving roles in the 12 months to June 2021. They are also moving up the hierarchy of the organisation with 89% of them reporting into the CHRO themselves or into one of the HR Leadership Team. This is a 14 percentage point rise – up from 75% – in the 12 months to June 2020.

When we look at these results, the message is clear. People analytics is growing, and the Chief Human Resources Officer (CHRO) wants them closer, as a trusted advisor, on hand to help them manage the C-Suite with complex people topics.

This is not surprising given the business topics that are challenging organisations in 2021.

In 2020, the global pandemic raised the importance of the CHRO. Racial inequalities brought additional challenges to companies as they sought to address diversity and inclusion in new ways in the face of widespread social justice movements.

And in 2021, the topics just got even more complex. Hybrid working became an expectation of many employees and mental health issues took centre stage with high profile sports stars such as Simone Biles and Naomi Osaka raising the issue on the highest sporting stage of all – the Tokyo Olympics.

None of these issues can be ignored by any company. Let alone companies with global stakeholders who expect the highest standards for their employees who challenge fairness, equity and belonging. These complex workplace, employee and societal issues have seriously challenged CHROs across the globe.

The Chief Executive Officer (CEO) and the CHRO subsequently need a much deeper understanding of their workforces than ever before – and in an evidence-based fashion. They turn to their people analytics leaders for the insights needed to manage these topics. At their most profound, the people analytics leader works alongside their CEO, helping them explain insights to employees and determine the most important course of action.

Any one of these issues on their own – equality, hybrid working, mental wellbeing, pandemic planning – is complex and requires large volumes of data to identify the insights required. Together they are ultra-complex, and they elevate the people analytics function to “a whole new level”.

Our research investigated the impact of the people analytics function on the organisation. It examined the growth of the function, and where investment is being made. It also investigated what is required to build a data driven culture for HR, with the notion being that if analytics is going to help address these complex workplace topics, then all HR professionals need to be proficient in using people data to inform decisions.

Alongside the results shared above on the growth of the people analytics function, the key findings of this research are:

1. Leading Companies invest more in people analytics
2. CHROs unanimously conclude that data and analytics is important
3. A data driven culture for HR delivers business value

1 Leading Companies invest more in people analytics.

For the first time, our research has defined “Leading Companies” as those with superlative people analytics functions. The data driven methodology finds that Leading Companies invest more in their people analytics teams, productise analytics at scale and have a data driven culture for HR.

2 CHROs unanimously conclude that data and analytics is important.

The research shows that 90% of CHROs make it clear that data and analytics are an essential part of the HR strategy. They have stated the expectation that HR professionals of the future will need to have data driven skills.

3 A data driven culture for HR delivers business value.

When people analytics leaders are asked about the effect of having a data driven culture, 90% of them state that it delivers business value and 81% state that it enables managers to make “in-the-moment” decisions.

In conclusion, the *Insight222 People Analytics Trends 2021* study shows that people analytics is growing in size – and in importance. To be successful, the people analytics leader needs to productise solutions and take the responsibility to create a data driven culture.

The CHRO requires this culture across HR so that people analytics is not just the preserve of the C-Suite. The use of data and analytics should be used for people decisions across the enterprise, whilst allowing the C-Suite to also tackle the most complex workplace and societal topics of the current era – hybrid working, mental wellbeing and diversity, equity, inclusion, and belonging.

It's looking good for people analytics in 2021. And so it should, as the highly complex workplace issues facing organisations today cannot be solved without it.

Jonathan Ferrar, Caroline Styr & Naomi Verghese

October 2021

01

The Growth of People Analytics

The commitment from global organisations to invest in and grow their people analytics functions is accelerating.

Our research revealed 61% of companies increased their people analytics team size over the last 12 months. This is also in line with the expectations set by people analytics leaders in our research published in November 2020.¹

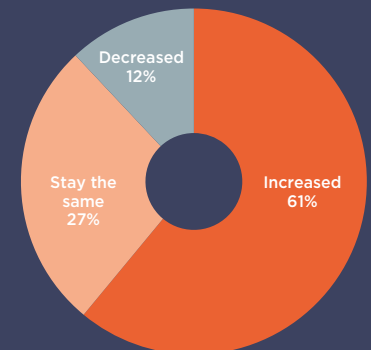
Looking forwards to the next 18-24 months, our research indicates that investment in people analytics teams is becoming even stronger. Of 114 companies surveyed in 2021, only one company predicts that the size of their people analytics team will decrease in the coming 12 months. Only one! And that organisation is in the process of divesting a significant proportion of the company.

Three quarters of companies predict they will receive more investment for their team in the next 12 months (see Figure 1).

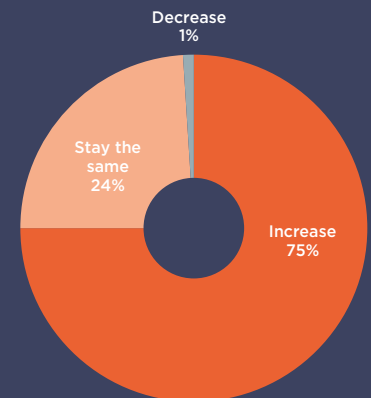
Based on these findings, people analytics leaders should be confident in their ability to gain investment in their function.

● FIGURE 1

People analytics teams are experiencing accelerated growth



Change in people analytics team size over the last 12 months



Predicted change in people analytics team size in the next 18-24 months

People Analytics Teams are Larger than 12 Months Ago

In 2020, a new method for understanding the optimum people analytics team size was introduced.¹ This is the Ratio for People Analytics, which compares the ratio of the People Analytics Team to the Total Employee Headcount of the company.

As another indicator of the accelerated growth in people analytics teams, this ratio has strengthened from 1:4000 in 2020 to 1:2900 in 2021. Which means that in, for example, a company of 100,000 employees, the people analytics team size is 34 in 2021, compared to 25 in 2020.

This current research interrogated the development further by analysing whether the growth was because of an increase in people analytics professionals or in the reduction of total employee headcount. This research confirms it was the former.

The ratio data was further analysed by comparing companies who responded to our survey in both 2020 and 2021 and found the same result. Of the 43 companies that responded to the survey in both years, the average percentage change in the size of the People Analytics Team was +50%. This is in stark contrast to the average change in Total Employee Headcount in the same 43 companies which in the same period actually fell, but only by -1%.

The ratio of People Analytics Team: Total Employee Headcount is examined throughout this report to understand the different impacts on the strength of the size of the People Analytics Team.

The Ratio for People Analytics Explained

Our approach to understanding the optimum people analytics team size compares the People Analytics Team to Total Employee Headcount. This is more appropriate than a comparison of the size of the people analytics team to the size of the HR Function, which is often assumed to be the most logical approach, because it prioritises the guiding purpose of the people analytics function: Delivering business 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 for HR. Therefore, **the size of the people analytics function should be considered against the total employee headcount of the entire business.**

PEOPLE ANALYTICS TEAM:
TOTAL EMPLOYEE
HEADCOUNT

2020

1:4000

PEOPLE ANALYTICS TEAM:
TOTAL EMPLOYEE
HEADCOUNT

2021

1:2900

02

Key Business Challenges

The level of investment in the people analytics function over the last 12 months is even more impactful considering the constraints that the global pandemic has had on organisations around the world. Global growth is estimated to have contracted by more than 4% in 2020, representing the largest economic crisis in a generation.²

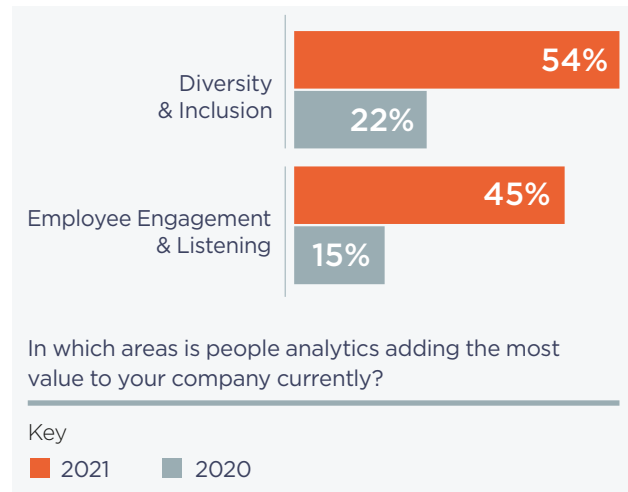
The impact of the pandemic on the global workforce has been extraordinary. A seemingly overnight shift to remote work, furlough, job loss, the subsequent impact on mental and physical health and holistic wellbeing (as well as the divergent impact of these events across different countries and cultures)³: this extensive list of unforeseen events renders the impact of the pandemic on workers *almost* intangible.

Organisations reacted to two key crises in 2020 – the COVID-19 pandemic and racial inequality, elevated through the Black Lives Matter movement. It became imperative for organisations to renew and reinvigorate their focus on issues of diversity, equity, inclusion and belonging (DEIB).

Our research supports the focus on these societal and economic issues. People analytics leaders cite ‘Diversity & Inclusion’ and ‘Employee Engagement & Listening’ as the top two areas where people analytics adds the most value to their company in 2021 (see Figure 2). Furthermore, these two areas have experienced the largest jump in value-adding status since 2020.

● **FIGURE 2**

People analytics delivers most value in Diversity & Inclusion and Employee Engagement & Listening



While it is believed that the growth in people analytics teams would have continued regardless of COVID-19, the pandemic has nonetheless provided the function with a high-visibility opportunity to demonstrate its value to the business, which has in turn contributed to an accelerated investment.

To make sense of the impact of the two global crises mentioned above on work and the workforce, please read the two case insights on page 9 and 10 from Colgate Palmolive and Uber.

● Case insight from Colgate Palmolive: Elevating DE&I and People Analytics During the Pandemic

Colgate has been working on Diversity, Equity and Inclusion (DE&I) efforts for many years, but they know there is more to do. The events of 2020 raised awareness of issues of racial injustice and Colgate leaders realized that they needed to be more transparent about progress and opportunities. They made a commitment in 2020 to accelerate change.

The company appointed a new Chief Diversity Officer, who reports directly into the Chief Human Resources Officer (CHRO). “We knew we had to shift priorities on our team,” says Courtney McMahon, Head of People Analytics, who also reports directly into the CHRO. The People Analytics team started to work closely with the Chief Diversity Officer, taking over from an external vendor who previously managed DE&I-related data and analytics.

Since 2020, People Analytics and the DE&I team have been working together to build diversity, equity and inclusion metrics and create intuitive “storyboards” for HRBPs to use with their stakeholders. This accessibility empowers data driven decision making throughout the organisation with regards to recruitment, retention and engagement.

People analytics functions are increasingly involved in societal topics that extend from delivering value to the business, to addressing global missions that add value beyond the organisation itself.

● Case Insight from Uber: Continuous Listening is also Continuous Response

“It’s very difficult to drive business strategy through our people, if we’re not listening to our people,” says RJ Milnor, Head of People Analytics at Uber.

RJ describes the COVID-19 pandemic as a “catalytic event” that helped shift employee engagement and listening from a ‘nice-to-have’ to a ‘need-to-have’.

As for many organisations, Uber’s response to the pandemic in the beginning, in March 2020, was mainly tactical, focusing on topics like employee safety, health benefits, COVID-19 sick leave and managing contract workers. At this time, Luye Chang and her team, who design and deliver the employee listening programme at Uber, realised that they “should check in to see how people are doing.” This was the catalyst needed to implement Uber’s continuous listening program, focusing on understanding how people were handling the transition to remote work.

The people analytics function took responsibility for this activity, enabling the business to focus on more immediate elements of the COVID-19 response. This was an opportunity for the team to take the initiative and implement work that demonstrated the value of people analytics. A survey that would have ordinarily taken weeks or even months to implement was designed, built and administered in less than five working days.

Now, the employee listening strategy at Uber has changed the employer-employee relationship from a top-down social contract to a partnership where the workforce and leadership can engage in real conversation. “What we have learned is that this can’t be a one-time event in response to a very unique situation,” says RJ, “the pandemic taught us that this is something we should be doing regularly, and so continuous listening is now a part of our lives at Uber.”

When it comes to delivering value, RJ is keen to reinforce that “continuous listening is all about continuous response.” Nothing discredits an employee listening program faster than inaction to the employee voice. To demonstrate this for example, after Uber announced their first return to office approach in April 2021, the team noticed a shift in employee preferences around working from home.

Flexibility and employee choice were highlighted as the two most vital factors employees wanted. As a result of these findings, Uber updated their hybrid work approach to allow for more flexibility and for more choices for their employees.

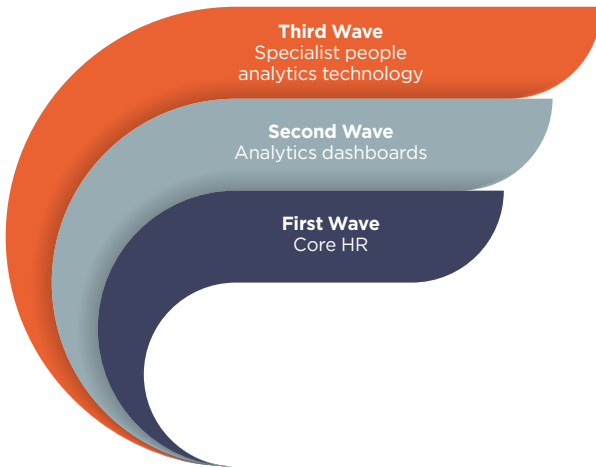
In what RJ and Luye describe as one of the proudest moments in their career at Uber, RJ was invited to speak alongside Uber’s CEO, Dara Khosrowshahi on a company “all-hands employee broadcast” to talk about the continuous listening program and how the findings influenced Uber’s hybrid work approach.

03

People Analytics Specialist Technology

In *Excellence in People Analytics*⁴, people analytics technology is split into three waves: First Wave, Core HR; Second Wave: Analytics dashboards and Third Wave: Specialist people analytics technology (see Figure 3).

● **FIGURE 3**
Three waves of people analytics technology



81%

PREDICT AN INCREASE IN INVESTMENT IN ANALYTICS DASHBOARDS AND/OR SPECIALIST PEOPLE ANALYTICS TECHNOLOGY

Of the people analytics leaders who responded to the survey, 81% of them predict that their companies will invest in Second Wave and/or Third Wave technologies (see Figure 3). Some of the most-cited technologies that companies have already, or are planning to invest in, include talent market analytics solutions, such as LinkedIn Talent Insights, Emsi Burning Glass and Gartner Talent Neuron; collaboration analysis tools such as Microsoft Workplace Analytics, Polinode and TrustSphere; and experience management tools such as Qualtrics and Glint.

An increase in Second Wave and Third Wave technology investment suggests that the majority of people analytics teams are preparing to tackle more complex work, as discussed in Section 02.

Business leaders are increasingly looking for data on internal and external supply and demand of skills, continuous listening on employee feedback and a better understanding of networks, relationships and collaboration at work. In response, people analytics teams are investing in more advanced technologies to meet this business demand.

Experiencing this level of sophisticated investment during the pandemic highlights how the function has been able to deliver value and the confidence from business leaders in its continued ability to do so.

This increase in specialist people analytics technologies aligns with the increase in team size and the key topics mentioned in Section 01 and Section 02 of this report. It is not surprising that investment in people and technology is happening, since the challenges that people analytics are having to address now require more specialist skills and technologies.

In summary, as the working environment gets more complex, the need for solutions to support analysis of hybrid working and DEIB noted in Section 02 are needed. This requires more specialist data scientists and practitioners to work with increasingly more specialised technology. Therefore, the investment in people analytics accelerates.

04

Leading Companies

“Leading Companies” are those companies or organisations that have demonstrated that they have a people analytics function that is considered a leader in the field.

A comparative analysis of Leading Companies reveals that they have a:

1. Greater investment in people analytics professionals than non-leading companies
2. Greater investment in people analytics technology than non-leading companies
3. Data driven culture for HR

The rest of this section focuses on points 1 and 2. Point 3 will be explored in greater detail in Section 05.

The Ratio for People Analytics Team Size at Leading Companies

Leading Companies have invested more in people analytics professionals than non-leading companies. The ratio for Leading Companies is 1:2500 compared with 1:2900 for all companies in 2021.

Putting this into context, in a Leading Company of 100,000 employees, the people analytics team would have 40 professionals compared to 34 professionals for all companies.

Leading Companies⁵ are those that demonstrate particular attributes that deliver business value to their organisation. They also actively share insights from their work to help other people analytics teams and HR functions learn from their experiences.

Attributes include:

- Having a direct influence at the CHRO level through the reporting line
- Prioritising work systematically and dynamically based on business value
- Productising solutions to scale to employees, managers and executives
- Developing evidence-based expertise across HR

PEOPLE ANALYTICS TEAM:
TOTAL EMPLOYEE HEADCOUNT

ALL COMPANIES

1:2900

PEOPLE ANALYTICS TEAM:
TOTAL EMPLOYEE HEADCOUNT

LEADING COMPANIES

1:2500

The People Analytics Operating Model: How Leading Companies Invest

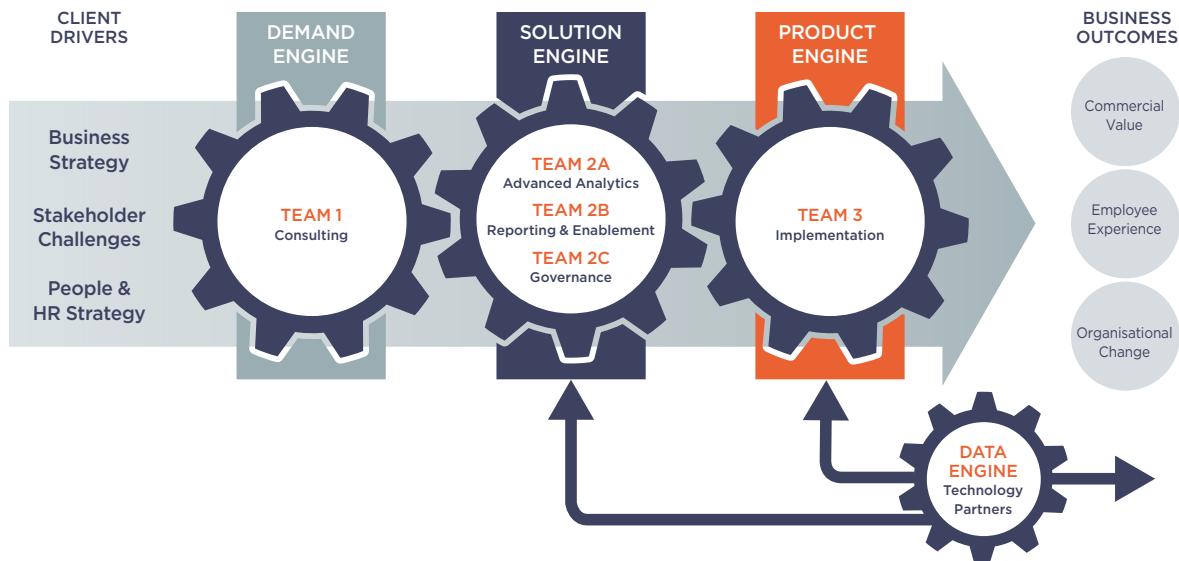
In 2020, the Insight222 Operating Model for People Analytics was published (see Figure 4).¹ A value chain, guided by client drivers and resulting in business outcomes, is at the core of the operating model. The value chain enables HR to adopt an outside-in perspective and deliver value at scale.

The process by which the people analytics function can take the client drivers and convert them to tangible business outcomes is split into three key areas, which we call 'Engines'. Each engine can be broken down further into five teams. All three engines are required for success:

- 1. Demand Engine.** In the Demand Engine, the Consulting team engages with business stakeholders to understand, make sense of and translate business strategy and challenges (the drivers) into hypotheses that can be tackled by the Solution Engine.
- 2. Solution Engine.** In the Solution Engine, The Advanced Analytics, Reporting & Enablement and Governance teams manage and produce analytics solutions. They work in collaboration with the organisation's Data Engine. In this Solution Engine, the Governance team takes responsibility for prioritising projects, upholding the highest ethical standards and managing data stewardship.
- 3. Product Engine.** In the Product Engine, the Implementation team works to ensure the effective design and product management of analytics solutions. It includes the associated project management and change management to provide effective adoption of each solution.

● FIGURE 4

Insight222 Operating Model for People Analytics



All Leading Companies surveyed invest across all three engines of the People Analytics Operating Model.

This investment is critical to deliver value to the business: Out of all companies surveyed, 39% of them have roles across all three engines. Of these, 93% are confident their work delivers value to the business. Put simply, it is not possible to be successful without capability across all three engines.

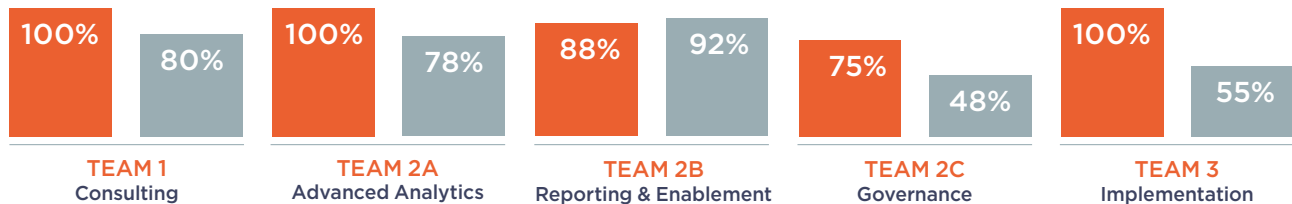
Leading Companies are more advanced in all engines of the People Analytics Operating Model (see Figure 5):

1. **Demand Engine.** Leading Companies have invested 20 percentage points more in consultants compared to all companies. Leading Companies consider a “front-office” of business-facing consultants to be essential to understand stakeholder requirements and to prioritise effectively.
2. **Advanced Analytics.** Leading Companies show a 32 percentage point increase in the investment in specialist data science and psychology skills. This indicates their desire and need to solve more complex business-driven topics using a variety of data science techniques for both structured and, increasingly, unstructured data.

3. **Reporting and Enablement.** Leading Companies have invested slightly less in reporting, dashboarding and KPI-development skills compared to all companies. Leading Companies strive to deliver value through advanced analytics and more basic analytics, such as reporting, metrics and dashboard development are not considered “advanced”. In some Leading Companies, Reporting & Enablement sits under a separate part of the organisation, for example HR Operations.
4. **Governance.** This is usually a small team of experts that handle project prioritisation and ensure proper data stewardship. Leading Companies understand, and subsequently have invested more in ensuring they uphold, the highest ethical standards of using people data.
5. **Productisation.** Leading Companies focus on building capability in consulting and influencing, product management and change management to a much greater extent than all companies. The difference is very large: A 45 percentage point difference. This shows their desire to make their solutions and predictions effective by making “analytical products” for employees, managers and executives as necessary, through embedding analytics into the people processes across the company.

● **FIGURE 5**

Leading Companies invest more across most teams



Which of the following role groups do you currently have in your people analytics team?

Key

- Leading Companies
- All Companies

● Case Insight from Capital One: Investing in Governance

The People Strategy & Analytics team at Capital One⁶ has quadrupled in four years to almost 100 people. By 2021, it is acknowledged as one of the most advanced functions, delivering sophisticated and business-relevant insights. Former Managing Vice President, Head of People Strategy & Analytics and now Entrepreneur in Residence at Capital One, Guru Sethupathy PhD, has scaled and developed this team since 2017.

Investing in governance was one of the first key areas that Guru focused on. “We focused on specialists in data quality, governance and operations, significantly improving the quality of our data in a short time. Once leaders felt they could “trust the data”, we moved up the value stream,” said Guru. Establishing effective governance processes was not a smooth journey, however, and it was at times “quite painful” to negotiate ownership of the data infrastructure, data models, and data governance and operations. But the result was worth it, as having this sit under the people analytics team at Capital One allows for higher productivity, better prioritisation, less friction and, in Guru’s words, a “coordinated and seamless” approach to getting work done.

The people analytics team at Capital One today consists of a full array of skill sets. Consultants, business analysts and strategists gather questions from the business, draw insights and provide recommendations and strategic counsel. Data stewards, software engineers and analysts manage the governance and operations of the data ecosystem. Statisticians and IO-psychologists provide expertise on measurement, surveys and research on organizational best practices. “We have a diversity of skills across the team and I cannot say which of them, if any, are more important than the others,” Guru reflects. “It is a full team effort from top to bottom.”

Leading Companies' Approach to Technology Investment

The second element that Leading Companies possess is a greater investment in people analytics technologies. And when it comes to this investment, there are unique strategies that Leading Companies adopt to meet the needs of their organisation.

Firstly, Leading Companies are investing not only in productisation capability, as noted above, but also in technology that supports productisation. This is not surprising, as 100% of Leading Companies report that they have primary responsibility for the productisation of analytics solutions.

A question that is top of mind for many people analytics leaders is 'what is the first solution at scale I should deliver?' According to Leading Companies, it is astute to start with insights at scale - getting the right data to the right people at the right time, by investing in Second Wave people analytics technology such as SaaS-based data democratisation systems (for example, Visier, Crunchr, One Model).

Secondly, Leading Companies think strategically about their 'build versus buy' approach. It is common for Leading Companies to build their own solutions to match what is in the marketplace and supplement this by buying technology where necessary. Factors influencing this decision include resources, cost and quality; sometimes it is easier and cheaper to buy a solution, for example access to external labour market data.

Another factor that Leading Companies consider is where do they want to differentiate? If they are working on something unique, keeping the product development in-house has many benefits, including the possibility of developing an entirely new product for the HR technology marketplace.

Finally, all Leading Companies are investing in at least one talent market analytics solution, for example LinkedIn Talent Insights, Emsi Burning Glass or Gartner Talent Neuron. Visionary people analytics teams see opportunities to address broad and complex societal issues with this investment, such as unemployment and access to opportunities.

Speaking openly about his goal to transform Capital One's selection process, Guru Sethupathy asks, "How do you automate the top of the funnel? What if we had a world where anybody in the world could apply and we had such an amazing tool at the top of the funnel, that it would narrow it down, as opposed to saying, we are just going to go to 10, 15 Universities and find business majors or engineering majors from those 15 schools?" He acknowledges that this approach is "a transformative idea and so we are working on building out tools and products that will allow for that change."¹⁷

05

Developing a Data Driven Culture

In this section of the report, the meaning and value of a data driven culture for HR is considered, as well as the role of people analytics in inculcating this culture.

Making Sense of a Data Driven Culture for HR

When asked “What does a data driven culture for people data and analytics mean in your company?” there were a variety of responses from the 114 people analytics leaders who responded to our survey. A selection of those responses is shown in Figure 6.

Upon analysis, it was determined that “using data to make decisions” was the most common response. However there were other key factors that surfaced from our investigation. Based on the research in this report, it is concluded that there are three attributes of a data driven culture that all HR functions should adopt:

1. Using data to make decisions: HR professionals and People Managers are skilled in using an evidence-based approach in their decision-making
2. Making data accessible to managers and HR professionals: Data is democratised throughout the organisation
3. Delivering business value from data: People insights inform strategy, allow action to be taken and outcomes are measured

Companies with a data driven culture for HR have more people in their people analytics teams

Our research shows a significant relationship between a data driven culture for HR and the strength of the people analytics team. Companies who report having a data driven culture have a greater ratio compared to companies who do not have a data driven culture.

PEOPLE ANALYTICS TEAM:
TOTAL EMPLOYEE HEADCOUNT

COMPANIES WITHOUT A DATA
DRIVEN CULTURE FOR HR

1:4400

PEOPLE ANALYTICS TEAM:
TOTAL EMPLOYEE HEADCOUNT

COMPANIES WITH A DATA
DRIVEN CULTURE FOR HR

1:2700

● FIGURE 6

A selection of definitions of a data driven culture for HR



A Data Driven Culture for HR is not Widespread Today

Examples of companies who are truly data driven with regards to people data and the workforce are still rare. Our survey results reinforce this, with less than half of companies surveyed reporting that they have a data driven culture for people data and analytics, despite understanding the value that it can bring to the organisation (see Figure 7).

Furthermore, it is clear from our research that one of the most important elements of delivering value through people analytics is having a data driven culture for HR.

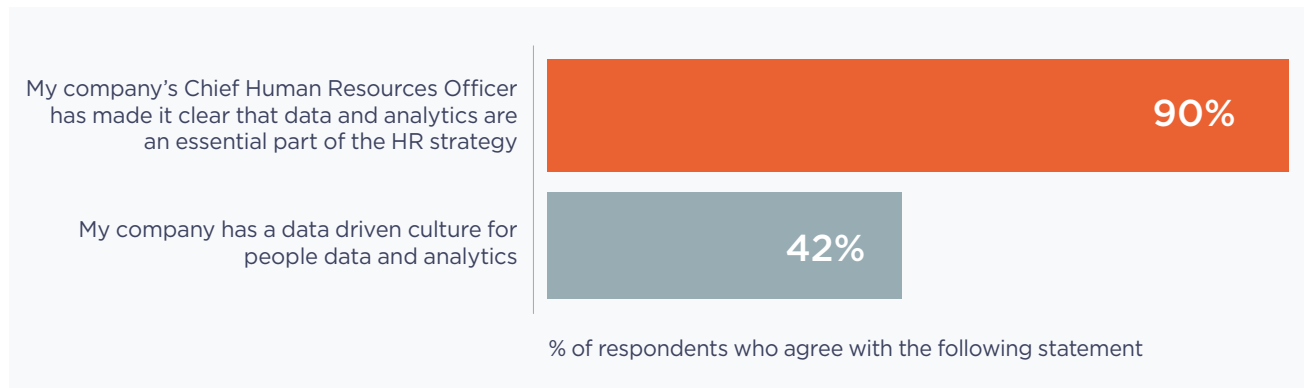
This may seem obvious – if HR professionals understand, use and make decisions using an evidence-based approach, then people analytics, as a function, will likely be more successful. HR executives and practitioners will frankly be more willing to receive and be expectant of the work that people analytics undertakes.

A DATA DRIVEN CULTURE FOR HR ENABLES THE PEOPLE ANALYTICS FUNCTION TO DELIVER MORE VALUE TO THE BUSINESS

One key stakeholder that rarely needs convincing of the importance of a data driven culture for HR is the CHRO themselves. In our research, 90% of companies surveyed state that their CHRO has made it clear that data and analytics are an essential part of HR strategy.

● FIGURE 7

Despite CHRO expectations, less than half of companies have a data driven culture for HR



The commitment of and support from the CHRO is often considered a prerequisite for people analytics teams to deliver value to the organisation.

Steve Scott, Managing Director, Global Head, Workforce Management and Analytics at Standard Chartered Bank is someone that has worked in people analytics in multiple organisations and therefore has experience of more than one CHRO. He says: “There is inevitably a time lag between acknowledgement from a CHRO that a data driven culture is critical to the function, and that data driven culture being built. The trigger for building it is the CHRO publicly communicating the need for a data driven culture and then demonstrating and role modelling it through their own use of people analytics to support their decisions and conversations with their C-Suite peers.”

By this logic, companies that *do not have* a data driven culture but do have their CHROs support are sitting on fertile ground to build that culture today.

People Analytics Leaders Feel they have the Primary Task of Developing a Data Driven Culture

An alternative perspective on the role of the CHRO in developing a data driven culture comes from Dawn Klinghoffer, Head of People Analytics at Microsoft. Dawn considers her CHRO a client of people analytics, who – just like many other stakeholders – should be equipped with the insights gleaned from people data and educated on the business value of using these insights to inform decision making.

Dawn says: “Bringing data to the conversation with the CEO and the rest of the executive team isn’t something that most Chief People Officers have been able to do historically. But now it’s about the people analytics team empowering the Chief People Officer and helping them understand how it can help.”

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Steve Scott, Managing Director, Global Head, Workforce Management and Analytics at Standard Chartered Bank

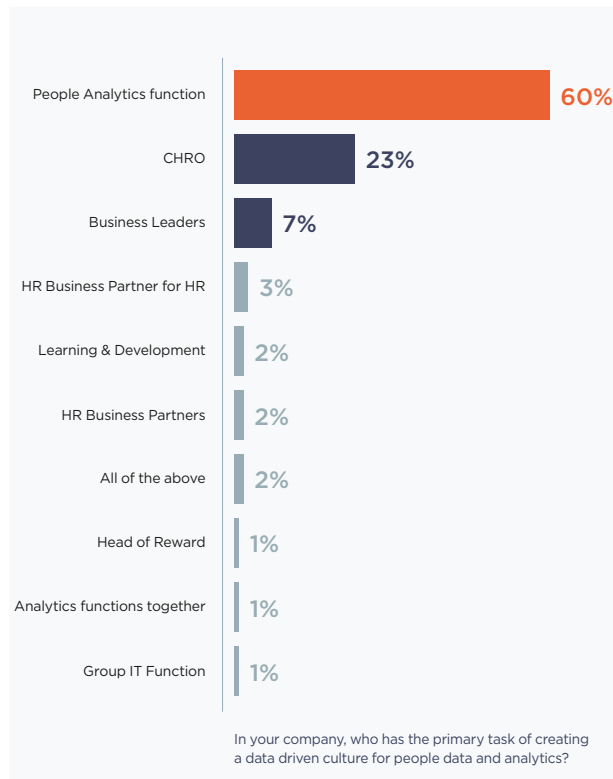
It’s about the people analytics team empowering the Chief People Officer

Dawn Klinghoffer, Head of People Analytics at Microsoft

People analytics has an important role to play in developing a data driven culture, part of which is certainly to empower the CHRO. 60% of people analytics leaders feel they have the primary task of creating a data driven culture for people data and analytics (see Figure 8).

● FIGURE 8

The majority of people analytics leaders feel they have the primary task of creating a data driven culture for HR



This means that while people analytics leaders may not own the vision or set the strategy for data driven culture (this is more likely to come from the CHRO, albeit with the people analytics leaders' encouragement at times), the majority feel it is their responsibility to operationalise a data driven culture.

Steve Scott again explains: "Creating a data driven culture is absolutely one of my key responsibilities that I am passionate about. I truly believe it's critical for my team to be able to deliver value to the organisation. Whether it's actually in the job description of a people analytics leader or not doesn't really matter to me. I know that I have to take that responsibility and work with others across HR to help create a data driven culture. Only once that's established can a people analytics function deliver value at scale."

Despite not necessarily being part of the job description, developing a data driven culture is a key responsibility for the people analytics function. They need to grasp this responsibility to execute on the CHROs strategic imperative, gain investment for their team, and deliver business value with their work.

I know that I have to take that responsibility and work with others across HR to help create a data driven culture.

Steve Scott, Managing Director, Global Head, Workforce Management and Analytics at Standard Chartered Bank

How People Analytics Leaders have developed a Data Driven Culture for HR

Simply providing data does not guarantee a data driven culture for HR. A commitment has to be made to intentionally develop a culture over time; this is true for any culture, including a data driven culture for HR.

Data should be made available to those who need it, for example HRBPs and people managers, to make in-the-moment decisions. Those who can access the data must know how to use it effectively; meaning data literacy and storytelling skills are imperative. Furthermore, the ultimate goal must be delivering value to the business, otherwise organisations are data driven simply for the sake of being data driven.

By analysing survey respondents in two groups – those who have a data driven culture (42%) versus those that do not (58%) – clear patterns emerge (see Figure 9). When companies have a data driven culture:

1. They invest more in people analytics teams and technology.

Investing in people analytics, whether that's new people, technology or data infrastructure, is evidence to the whole of HR that the CHRO supports the development of a data driven culture.

2. The people analytics team provides data that is easy to use for “in-the-moment” decision-making.

“We don't just provide the data; we work with teams to create the right type of readiness materials that help them get their work done effectively. It's not just about the data, it's about how you use the data,” says Dawn Klinghoffer, Head of People Analytics at Microsoft.

3. HRBPs actively develop their data literacy skills.

Data literacy skills are vital for effective data driven decision making, however they are one of many skills that the future HR professional needs.⁸ Others include business focused skills such as organisational acumen, stakeholder management and storytelling.

4. The people analytics team delivers more value to the business.

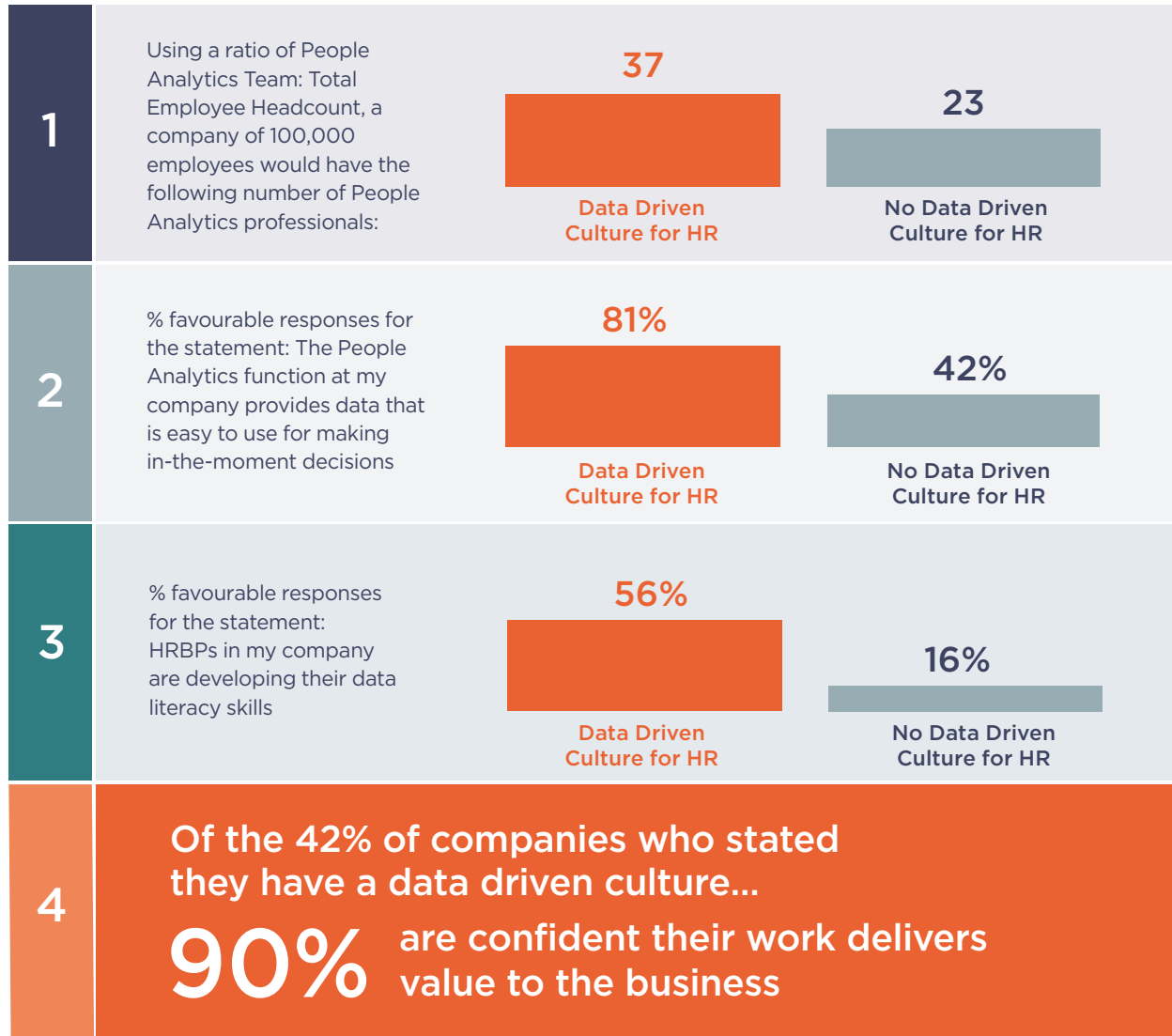
Developing a data driven culture is synonymous with developing a *value driven* culture that *uses data*. People analytics teams that operate in an organisation that has a data driven culture deliver more value to the business, at scale.

It's not just about the data, it's about how you use the data

Dawn Klinghoffer, Head of People Analytics at Microsoft

● **FIGURE 9**

There are significant differences between companies that have a data driven culture for HR and those that do not



06

Recommendations

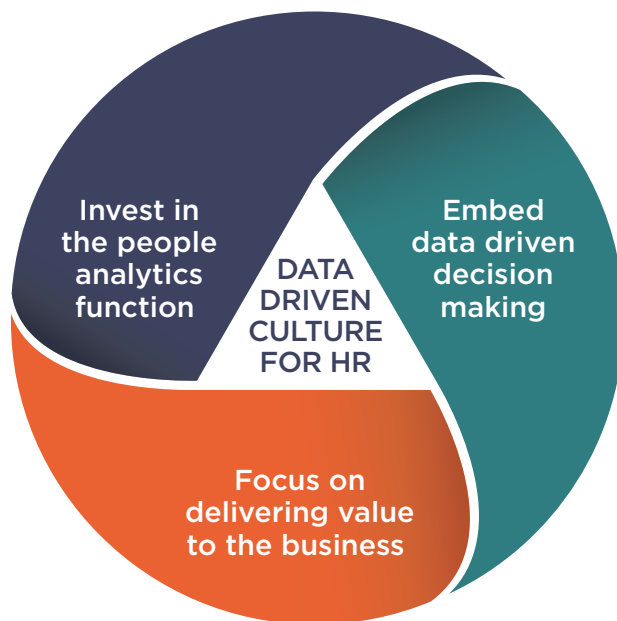
This final section of the report presents a new model to define the elements of a data driven culture for HR, as well as a set of recommendations to help People Analytics leaders embed this culture in their organisation.

Based on the findings presented in Figure 9, as well as the three components that form a definition of a data driven culture (see page 18), a new Model of a Data Driven Culture for HR emerges (see Figure 10).

The model has three interlocking elements; all three of which should be managed to ensure a data driven culture exists and is sustained. Just as a three-legged stool will topple over if one leg is removed, a data driven culture is unlikely to exist if one element is not present.

● FIGURE 10

The Model of a Data Driven Culture for HR



The following three sets of recommendations strengthen the three elements of the Model of a Data Driven Culture for HR. Once again, there is no priority order here: Each element must be robust to successfully inculcate this culture.

Invest in the people analytics function to fuel growth	Embed data driven decision making across HRBPs and managers	Focus on demonstrating business value
<ul style="list-style-type: none"> • Invest in the team to improve the People Analytics Ratio. • Buy or build specialised technology to gather and analyse more detailed people data, and in turn tackle more complex business imperatives. • Scale people analytics by investing in the productisation of solutions to turn actions into measurable outcomes. 	<ul style="list-style-type: none"> • Democratise data across the organisation by investing in accessible and easy-to-use tools. • Upskill HRBPs in data literacy skills, as well as other supporting skills such as consulting and influencing. • Support the change management process in HR by ensuring clear and consistent communication from the CHRO and incentivising career journeys that take a data driven approach. 	<ul style="list-style-type: none"> • Calculate the return on investment of people analytics. • Foster a two-way conversation with stakeholders to ensure their needs are being heard and met effectively. • Communicate the value of data driven HR across the organisation, not just to business leaders but to all employees.

In summary, this report concludes that people analytics as a function is growing. It also outlines that Leading Companies in the field of people analytics invest in very intentional ways to allow them to deliver business value at scale. Finally, to ensure that people analytics has impact, it is important to create a data driven culture for HR and to do this, the people analytics leader must take on that responsibility.

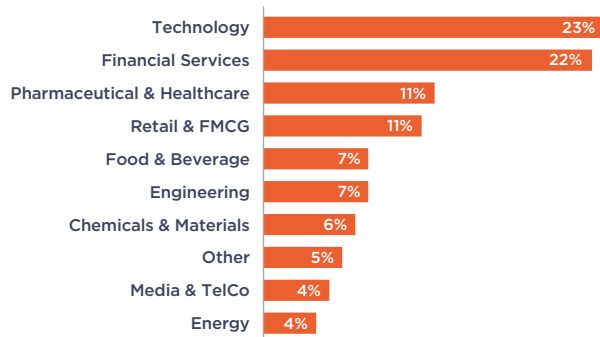


Methodology & Demographics

The report is based on a survey of 114 global companies conducted by Insight222 in July 2021. The extensive survey was sent directly to and completed by the people analytics leader in that company with accountability for the function. The 114 organisations surveyed are responsible for almost 12 million employees and operate in more than 180 countries.

INDUSTRY

Companies surveyed in each industry group

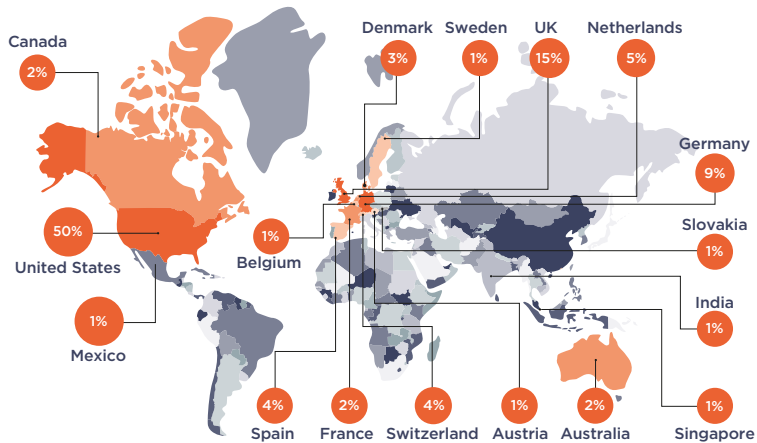


COMPANY SIZE

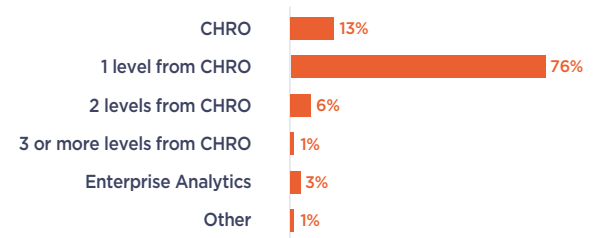
Number of employees



COUNTRY LOCATION OF PEOPLE ANALYTICS LEADER



PEOPLE ANALYTICS LEADER REPORTING LINE



Endnotes

- 1 Jonathan Ferrar, Caroline Styr & Anastasia Ktena. 2020. Delivering Value at Scale: A New Operating Model for People Analytics. Insight222. Available at: <https://www.insight222.com/people-analytics-operating-model-research> [Last accessed 7 October 2021].
- 2 International Monetary Fund (2020); World Bank (2020, 2021)
- 3 For an in-depth overview of the impact of COVID-19 on worker wellbeing, see: Maria Cotofan, Jan-Emmanuel De Neve, Marta Golin, Micah Kaats, & George Ward. 2021. 'Work and Well-being during COVID-19: Impact, Inequalities, Resilience, and the Future of Work' in John F. Helliwell et al. (Eds.), World Happiness Report. Available at: <https://happiness-report.s3.amazonaws.com/2021/WHR+21.pdf> [Last accessed 7 October 2021].
- 4 Jonathan Ferrar and David Green. 2021. Excellence in People Analytics: How to Use Workforce Data to Create Business Value. London: Kogan Page.
- 5 For more information on Insight222's evidence-based methodology for assessing Leading Companies visit www.insight222.com/leading-companies-in-people-analytics [Last accessed 7 October 2021].
- 6 This case insight was first published in: Jonathan Ferrar and David Green. 2021. Excellence in People Analytics: How to Use Workforce Data to Create Business Value. London: Kogan Page. It has been recreated here with kind permission from the authors and also includes insights from: David Green and Guru Sethupathy. 2021. How Capital One Delivers Value at Scale with People Analytics. Digital HR Leaders Podcast at myHRfuture, an Insight222 brand. Available at: <https://www.myhrfuture.com/digital-hr-leaders-podcast/2021/2/9/how-capital-one-delivers-value-at-scale-with-people-analytics> [Last accessed 7 October 2021].
- 7 David Green and Guru Sethupathy. 2021. How Capital One Delivers Value at Scale with People Analytics. Digital HR Leaders Podcast, myHRfuture, an Insight222 brand. Available at: <https://www.myhrfuture.com/digital-hr-leaders-podcast/2021/2/9/how-capital-one-delivers-value-at-scale-with-people-analytics> [Last accessed 7 October 2021].
- 8 Caroline Styr. 2021. Nine Skills HR Professionals Need to Succeed in the Digital Age. myHRfuture, an Insight222 brand. Available at: <https://www.myhrfuture.com/blog/2021/7/26/9-skills-hr-professionals-need-to-succeed-in-the-digital-age> [Last accessed 7 October 2021].

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About Insight222

Insight222 Research provides business executives and HR leaders with insights and recommendations to advance the HR profession to become more digital and evidence-based. Through partnerships with leading practitioners, academics and thought leaders, we share new 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 services to Chief Human Resources Officers and their key staff in Analytics, Strategy, Planning, Employee Experience and Digital HR. Insight222 clients and partners - typically large, multinational organisations - include some of the world's leading brands.

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