The State of People Analytics in 2025

Trends, Challenges, and Pathways to Progress

PeopleInsight
by HireRoad

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Introduction:
The Evolving Role of People Analytics in 2025

Welcome to 2025: where the HR landscape, like so many other areas, feels as if it is at a crossroads.

HR teams are being pulled in multiple directions, with competing priorities coming from both internal and external pressures that are often at odds with one another. Here's a look at just some of the pressures that organizations are facing:

→ Many organizations are still reacting to the **external impacts** of the economic and political climate on their business from years past, while the bigger challenge involves **looking ahead to the long-term future of their workforce, and planning for their organization's evolving needs.**[1]

→ Amidst budget and resource cuts, **CEOs are increasingly demanding more from HR**, forcing HR leaders to **embrace AI** and data in order to transform their org into a more strategic, insight-driven function.[2]

→ The **growing backlash** against diversity, equity, and inclusion (DEI) is **pressuring companies to reevaluate their investments and initiatives**, despite all research (and employee opinion) pointing to the positive impact of prioritizing DEI.[3]

→ There is more research than ever validating the ROI of employee engagement and the importance of employee wellbeing, yet **employee burnout is at an all-time high**, and steadily increasing among the younger working generations – with many organizations at a loss for how to make meaningful change.[4]

→ 50% of companies say their top frustration with HR technology is the **inability to integrate their different systems**, yet the "all in one" platforms often lack the capabilities or specific use cases that HR teams feel they need.[5]

As organizations navigate rapid technological advancements, shifting workforce expectations, and economic uncertainty, **people analytics** has emerged as a critical tool to drive strategic decisions and organizational resilience. HR leaders must now balance the pressure to deliver measurable outcomes while simultaneously fostering a connected and engaged workforce. Amid this transformation, the ability to access and act on workforce data has become the defining factor for the most successful HR teams.

In HR.com's *State of People Analytics 2024-2025* report, they analyzed survey responses from 256 HR professionals across industries and company sizes, and classified respondents into two cohorts, based on their ability to extract value out of their organization's people analytics:

1 **People analytics leader organizations**
are respondents who indicated their organization's ability to get the most value out of their people analytics today is *extremely or very effective.*

Only **22%** of organizations fell into the first cohort of "leaders", rating their people analytics processes as "very" or "extremely effective."

2 **People analytics laggard organizations**
are respondents who indicated their organization's ability to get the most value today out of their people analytics today is *somewhat effective or not effective at all.*

44% of organizations were identified as "laggards", struggling to realize the full value of their analytics initiatives.

While HR.com might use the term "laggard" to refer to this cohort, the reality is that this substantial audience reflects the common challenges in data hygiene, data integration, analytical skills, and the ability to act on insights that SO many organizations face today.

Most often, these teams aren't *lagging* behind so much as they are looking to *take the first step i*nto people analytics, and need the proper tools to get started on their journey. So for the purposes of this report, we consider this cohort to be **people analytics *early-stage* organizations**.

The good news for these early-stage organizations is that key trends in 2025 offer opportunities to confidently take the first step into people analytics, and unlock greater business value in the way that leading organizations already are.

In this report, we **explore the top trends** shaping people analytics in 2025, **outline common challenges** that early-stage organizations face, and **provide actionable pathways** for these organizations to become People Analytics Leaders.

02 Key Trends Shaping People Analytics in 2025

TREND #1

Shift in Focus: Employee Experience and Engagement Takes Center Stage

According to the HR.com *State of People Analytics 2024-2025*, the emphasis on employee experience and engagement has surged in 2025, as organizations recognize their critical role in retention, productivity, and performance.

55% of organizations now prioritize employee experience and engagement, up from 40% last year.

Saying you prioritize employee engagement is one thing, but to effectively measure it and connect it back to HR activities and business outcomes is another thing entirely. When measured effectively through people analytics, employee experience data enables organizations to identify friction points in workflows, assess employee morale, and design interventions that drive satisfaction.

 Not surprisingly, **leading people analytics organizations are over 5x more likely to use data to gain insight into employee attitudes and behaviors, and deliver insights to make effective decisions using that data.**

So how can early-stage organizations get to this point?

Don't try to boil the ocean by attempting to measure every single component of the employee experience all at once. Focusing on a few specific metrics that are most relevant to engagement can help you stay on track and reliably take action to improve employee satisfaction.

Employee satisfaction metrics
through surveys or feedback tool

Performance indicators
like project completion rates or sales volume

Retention rates
to get ahead of "quiet quitting"

Productivity measures
for learning & development programs, volunteering and mentorship opportunities, or other initiatives that your company promotes

Gathering and organizing these data points gives HR teams the pieces they need to effectively measure progress, analyze patterns and trends, and identify areas for improvement.

Employee engagement analytics won't happen overnight, but they are the building blocks for HR teams who want to proactively impact the employee experience and connect their engagement initiatives to business outcomes.

TREND #2

Mastering the Integration of Data Sets to Drive Real Outcomes

As anyone familiar with data analytics knows, you need to unify your disparate data sets in an integrated view to truly see the whole story. Siloed data living in different systems, modeled in different ways, makes it nearly impossible for teams to connect the dots between key metrics in a meaningful and organized way.

For many companies, data integration continues to be the largest roadblock to a successful people analytics strategy.

Only 38% of companies say their systems are well integrated so they can easily pull data for useful analyses, and even less than that are using a data warehouse or data lake to unify their data outside of their core HRIS.[6]

In 2025, you can expect to see more HR teams showcasing their value by connecting HR metrics back to business KPIs. The HR.com study found that **among leading people analytics organizations, 49% of them integrate HR data with non-HR data.** When organizations integrate HR metrics (e.g., turnover, engagement) with business data (e.g., revenue, operational metrics), they can answer high-value questions such as:

? *How does employee engagement impact sales or productivity?*

? *How do hiring practices influence profitability and operational efficiency?*

? *How much is employee turnover actually costing the business?*

> **If leaders realized that the true cost of turnover is often a multiple of an employee's annual salary, they would immediately demand changes.**
>
> *Harvard Business Review*

By demonstrating the ROI of people programs in this way, HR leaders are more likely to gain leadership buy-in and approval for additional resources than those going off of gut instinct alone.

How can early-stage organizations take the first steps to integrating their data sets?

For companies just getting started with people analytics, it often makes sense to *partner externally before building internally* when it comes to investing in a data integration solution.

Fast-growing companies like Intercom and ClickUp chose to partner with PeopleInsight by HireRoad to integrate their disparate data sets, as an alternative to investing significant time and resources into building a data warehouse internally.

> PeopleInsight gave us the ability to quickly access key analytics, which would have been impossible without building out extensive internal infrastructure.

NICK LANOOTE
People Analyst
Intercom

> What I've learned is it's really important to buy first and build later. And with something like PeopleInsight by HireRoad, you can really go from nothing to a pretty good set of analytics very quickly. And having that support on the back end to maintain answer questions and customize is really great.

SHANE NOE
VP of People
ClickUp

Conversely, a 100-person healthcare tech startup chose to integrate their data through PeopleInsight as a way to save time on the manual data pulling and integration process.

> We would spend a week building spreadsheets, and even then, they were never accurate. Now, it's automatic and saves so much time. PeopleInsight has centralized all our data into one source, eliminating the need to go into two systems and multiple spreadsheets. It's been a huge lifesaver.

TRACY CHANDLER
Director of People
Be Biopharma

TREND #3

The Growing Role of AI in People Analytics

Not surprisingly, artificial intelligence (AI) is playing an increasingly prominent role in enhancing people analytics processes across organizations.

In 2025, AI is helping HR teams:

- ✓ **Automate manual tasks like data cleaning and integration.**
- ✓ **Analyze complex datasets to uncover insights faster.**
- ✓ **Enhance workforce planning, diversity analytics, and talent forecasting.**

If your team has yet to embrace AI for your HR analytics, don't worry – you're not alone.

60% of respondents reported that they do not yet use AI as part of their people analytics. In fact, a recent Josh Bersin study suggests that only 4% of companies have a strategy for incorporating generative AI into people analytics.[8]

But for those companies who ARE embracing AI as part of their people analytics strategies, the impact is significant. As an extreme example of a leading people analytics organization, IBM used an AI-powered digital worker to save 50,000 hours in quarterly promotion processes.[9] On a more attainable level, leading people analytics organizations are using AI to:

- ✓ **Generate insights instantly from complex data sets**
- ✓ **Better identify trends and outliers in their data**
- ✓ **Use predictive analytics to proactively plan for the future of their workforce**

Show me my turnover rate by department for 2023 vs 2022

Show me my turnover rate by department for 2023 vs 2022

You asked about the comparison of turnover rates between 2022 and 2023 for different departments.

The data reveals a significant decrease in turnover rates across various departments from 2022 to 2023. Notably, departments like Finance, Human Resources, IT, Marketing, and Operations, which had high turnover rates in 2022,

How can early-stage organizations embrace AI in their people analytics strategies?

Adopting AI presents a significant opportunity for teams just starting out in people analytics, particularly those lacking internal resources or analytical expertise, to streamline operations, reduce data processing time, and deliver actionable insights faster. By automating time-consuming tasks, HR teams can focus on strategic priorities.

With so many HR technologies promoting their AI features and functionality in 2025, it's critical for early-stage teams to focus on what outcomes they want to achieve and then identify a solution to help them accomplish those outcomes. Don't get caught up in the bells and whistles that some vendors offer. Finding a solution that is a fit for your business – based on budget, implementation process and timeline, scalability, and complexity – will help ensure ROI and the positive outcomes you're looking to achieve.
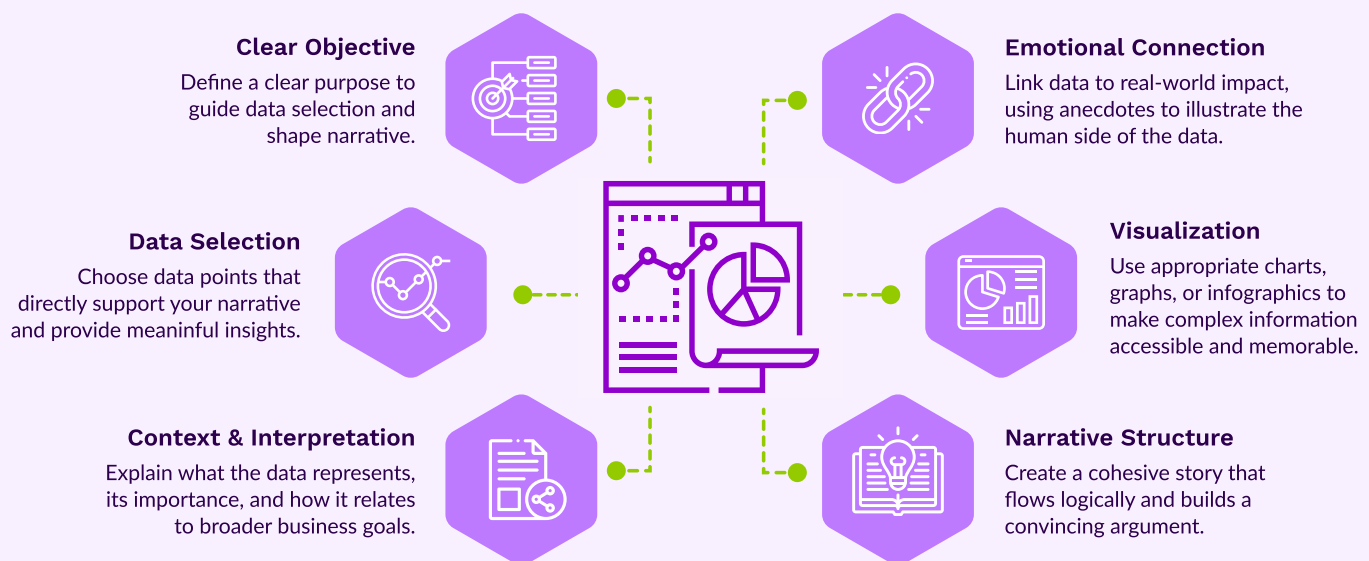
TREND #4

Data Visualization and Storytelling as Critical Success Factors

In an increasingly data-driven HR environment, simply gathering and analyzing data is no longer enough. The real power of people analytics lies in how insights are communicated and acted upon—and this requires effective data visualization and storytelling. As organizations face a growing demand for clarity and actionable insights, those that excel in presenting data can build stronger connections between HR initiatives and business goals.

Successful people analytics doesn't just tell you _what_ happened; it tells you _why_ it happened and _what to do next_.

6 Components of Effective Data-Informed Storytelling in HR[10]

Clear Objective
Define a clear purpose to guide data selection and shape narrative.

Data Selection
Choose data points that directly support your narrative and provide meaninful insights.

Context & Interpretation
Explain what the data represents, its importance, and how it relates to broader business goals.

Emotional Connection
Link data to real-world impact, using anecdotes to illustrate the human side of the data.

Visualization
Use appropriate charts, graphs, or infographics to make complex information accessible and memorable.

Narrative Structure
Create a cohesive story that flows logically and builds a convincing argument.

Some of these components may seem obvious, and others may feel slightly subjective. But there's a reason that **1 in 3 organizations finds visualization of people analytics to be difficult.[6]**

> **Many organizations are data rich, but information poor.**

KEN CLAR
Director of Workforce Intelligence - _Ansys_

In other words, people analytics should focus on giving business leaders relevant insights, not simply bombarding them with data points. This skill is what separates data-driven HR teams from truly successful HR teams who are demonstrating strategic impact for their business.

How can early-stage organizations use data-driven storytelling to convey HR's impact to stakeholders?

Step 1: Know your Audience

"

A key piece of advice we always give to our PeopleInsight clients is to know your audience. Think about their priorities and business questions, and that should be the focus of your analytics and the story you build them around. *You want to aim to answer those questions first by allowing your audience to get these metrics quickly and easily.*

NIKOLINA OSLAND
Director of Analytics
*PeopleInsight
by HireRoad*

Step 2: Start Small

A common misconception in people analytics is that more complex data presentations automatically lead to better insights. However, as Roxanne Laczo, Head of People Analytics at Cloudflare, has stated, "*sophisticated doesn't equal fancy*. A basic bar chart will tell more to a senior executive than some predictive model. The simplest data views can tell the biggest story in a powerful way."

Step 3: Leverage Visualization Tools

72% of organizations consider interactive visualizations (e.g., dashboards) **among the most effective ways to present people data.** [6]

Implement systems that simplify the generation of reports and visuals, saving time and ensuring consistency. Creating tailored dashboards for key stakeholders like executives, pre-filtered to the metrics and views they care most about, can save all parties time on back-and-forth questions.

TREND #5

Upskilling HR Teams to Turn Data into Insights

In today's rapidly evolving HR landscape, the need for advanced data literacy within HR teams has never been more urgent. With organizations increasingly relying on analytics to drive decisions, HR professionals must elevate their skill sets to interpret data effectively and translate it into meaningful action. This upskilling effort is not just for junior team members; it's a critical area for HR leadership as well.

41% of Chief People Officers (CPOs) wish they had greater depth in people analytics before assuming their roles.
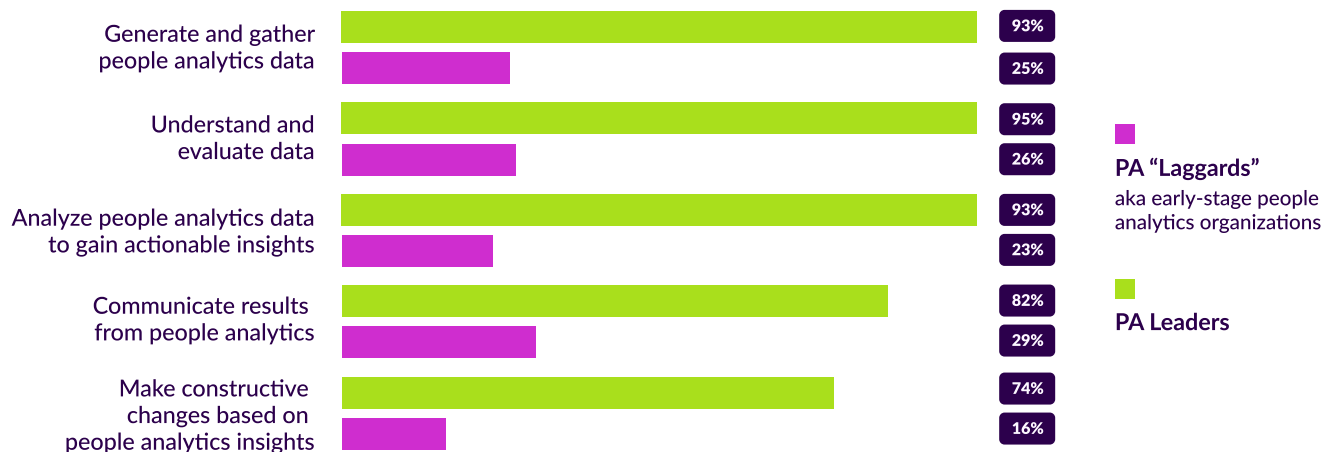
To lead effectively, HR teams need to focus on developing competencies that create value, including consulting, influencing stakeholders, interpreting data, building recommendations, and storytelling. While progress has been made—with 58% of companies reporting a data-driven culture in HR (up from 42% in 2021)[11]—there is still significant room for improvement. Notably, role modeling by HR leaders is critical to fostering data literacy across the organization.

How can early-stage organizations increase data literacy within their HR functions?

Following data integration challenges, early-stage people analytics organizations cite a lack of analytical skills within HR teams as a key barrier to success, with **50% reporting low proficiency in analyzing and interpreting people data.** [6]

Please rate your organization's current ability to do the following:

(% responding "good" or "very good")

	PA Leaders	PA "Laggards"
Generate and gather people analytics data	93%	25%
Understand and evaluate data	95%	26%
Analyze people analytics data to gain actionable insights	93%	23%
Communicate results from people analytics	82%	29%
Make constructive changes based on people analytics insights	74%	16%

PA "Laggards" aka early-stage people analytics organizations

PA Leaders

HR professionals need targeted training to enhance their ability to evaluate, analyze, and act on people data. Upskilling HR ensures they can:

✓ **Identify trends and actionable insights from workforce data.**

✓ **Use data to inform HR recommendations and strategies for their stakeholders.**

✓ **Collaborate with leadership to align analytics initiatives with business goals.**

Upskilling your HR function to be more data-driven isn't just a luxury reserved for large organizations with significant resources. By partnering with HR leadership and key stakeholders to prioritize analytical skills within the HR team, organizations can democratize their people data to increase visibility, understanding, and impact.

CASE STUDY

Cloudera Drives Data Literacy with "Data For All" Program

In 2020, Cloudera launched its "Data for All" program, aimed at democratizing access to HR analytics. The sole HR analyst partnered with talent acquisition leaders and HR business partners (HRBPs) to identify key focus areas to prioritize for an increase in data understanding and accessibility.

Together, they created core metrics tied back to business KPIs and leadership priorities, including attrition dates, DEI metrics, time to fill, hire rates, and headcount trends.

The initiative included educational sessions to drive adoption and foster a self-service approach to analytics within the PeopleInsight platform. As a result, time spent on quarterly reports and ad hoc requests were reduced, and HR stakeholders

Today, Cloudera supports nearly 50 active users spanning all levels of HR leadership on its analytics platform. The program continues to evolve with a focus on ongoing training and collaboration with new leadership to build trust and participation.

CLOUDERA

03 Persistent Challenges Facing Early-Stage People Analytics Organizations

While 2025 presents a number of opportunities for HR teams to become strategic partners within their organizations, **the early-stage people analytics organizations still face several challenges:** [6]
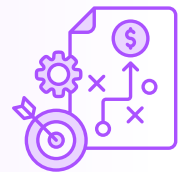
1 Data Integration Barriers

— **47%** cite data integration as the most difficult part of people analytics.

2 Actionability Gaps

— Translating data insights into **meaningful decisions** remains a struggle.

— Only **33%** of organizations rate themselves as good at making constructive changes based on insights.

3 Technological Shortcomings

— **Over-reliance** on spreadsheets and lack of advanced analytics tools.

— **59%** of organizations rely on spreadsheets, while only **12%** use specialized people analytics software.

4 Lack of Executive Buy-In

— Without **leadership support**, people analytics initiatives often fail to scale or deliver impact.

04 Best Practices for Taking the Next Step(s) in Your People Analytics Journey

As we've explored in this ebook, there are a number of steps that organizations can take to progress their people analytics strategies and make a real impact through HR data insights:

1 Focus on High-Impact Areas:
Prioritize analytics that drive employee experience, retention, and business outcomes.

2 Adopt Modern Analytics Tools:
Move beyond spreadsheets and invest in AI-powered tools that enable faster, more accurate insights – saving you time AND the need for internal data science support.

3 Integrate HR and Business Data:
Develop frameworks for connecting workforce data with operational and financial outcomes to prove the ROI of your initiatives.

4 Upskill HR Teams:
Train HR professionals in analytics tools and techniques to build confidence and democratize your data.

5 Tell Stories with Data
Leverage dashboards, visuals, & storytelling techniques to communicate insights effectively.

> **Don't be afraid to start. Don't let perfect be the enemy of good. You'll learn by doing, and it's never too late – or too early - to start.**

JESS MILLIGAN
Senior Talent Leader
Milwaukee Tool

05 Conclusion:
The Road to People Analytics Effectiveness

For early-stage organizations choosing to prioritize people analytics, 2025 represents an opportunity to close the gap and unlock the strategic value of people analytics.

By focusing on integration, adopting modern tools, upskilling HR teams, and effectively communicating insights, organizations can:

Improve employee experience & engagement

Align workforce initiatives with business goals.

Demonstrate HR's value as a driver of organizational success.

The journey from "laggard" to "leader" is achievable— one data point, one insight, and one decision at a time.

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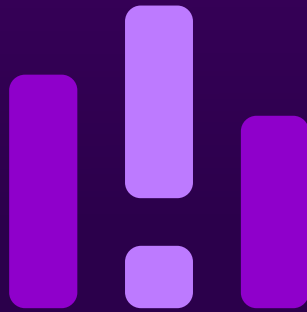
About PeopleInsight

PeopleInsight is a trailblazer in people analytics, offering an affordable, highly customizable solution.

Our industry-leading software, unifies your people data and delivers actionable insights in just 5 days. We empower forward-thinking businesses with best-in-class analytics and ongoing analyst support, to create better business outcomes at the lowest possible cost.

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