

# HR.com's State of People Analytics 2025-26



Close the gap between  
insight and action



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# Executive Summary

HR.com's latest people analytics research reveals that while data has never been more abundant, few organizations know how to put it to good use. Fewer than one in four HR teams are highly effective at people analytics, a number that has barely moved in two years. The promise of data-driven HR remains largely unrealized.

This data tells a clear story: the gap between people analytics leaders (that is, organizations that are effective at people analytics) and laggards (those that are less effective) is widening. Leaders are turning data into business impact, while others are still trying to make the basics work.

Only 45% of HR professionals believe their analytics systems improve talent and business decisions, down from 57% just two years ago. For many, analytics feels less like a competitive advantage and more like a missed opportunity.

Organizations have made strides in collecting and interpreting data, but they struggle to act on it. Dashboards and reports are plentiful, yet real change remains elusive. Less than half of HR professionals say their systems are integrated well enough for meaningful analysis, and only one in four connect HR data with broader business metrics.

Technology alone is not the answer. The organizations that excel at people analytics combine strong leadership, collaboration across functions, and a culture of accountability. People analytics leaders are up to six times more capable of driving constructive change based on insights. They show what is possible when analytics is not just a tool but a way of thinking.

We examine these and other insights in our summary of key findings below.

## About the Survey

HR.com's "State of People Analytics 2025" survey ran from August to October 2025. We gathered responses from 201 HR professionals in virtually every industry vertical. Respondents are from all over the world with the majority from the United States.

The participants represent a broad cross section of employees by workforce size. Roughly 60% of respondents represent large or midsized organizations.

## Defining People Analytics

Within the context of our survey, we defined people analytics in the following way:

Also referred to as HR or talent analytics, people analytics refers to the process of collecting and analyzing people-related data for the purpose of producing insights that improve decision making and business outcomes. People analytics generally includes the use of investigative techniques, statistical methodologies, various technologies, and analytical expertise. It is sometimes coupled with the term "metrics," and it may include the analysis of both "big data" and smaller, qualitative data sets. People analytics is often combined with other business analytics to improve organizational insights.



## Our Major Research Findings

### Major Finding 1

**Few organizations are highly effective at people analytics (PA), indicating that PA remains a major challenge for HR departments.**

- Only 23% of HR professionals rate their organizations as very or extremely effective at designing and implementing processes to get the most value from people analytics.
- By contrast, 44% continue to describe their efforts as only somewhat effective or not effective at all.

### Major Finding 2

**Organizations struggle to demonstrate clear business impact from people analytics.**

- Only 45% of HR professionals agree or strongly agree that their people analytics processes and technology systems lead to better talent and business outcomes.
- This marks a continued decline from 48% last year and 57% the year before, reflecting waning confidence in the tangible business value of people analytics.
- Nearly a quarter (24%) disagree or strongly disagree, while another 31% remain neutral, showing that many organizations have yet to link analytics to measurable results.

### Major Finding 3

**Organizations are better at generating and understanding data than acting on analytics insights.**

- Over half rate their ability to generate (54%) and understand (50%) people analytics data as good or very good.
- However, far fewer rate themselves positively in their ability to:
  - ▶ measure the impact of PA actions (31%)
  - ▶ make constructive changes based on PA insights (34%)

## Major Finding 4

**People analytics is most often used for employee experience, recruitment, and performance management.**

- The top five areas where people analytics plays an important role are:
  - ▶ employee experience/engagement (51%)
  - ▶ recruitment and selection (46%)
  - ▶ performance management (46%)
  - ▶ compensation and benefits (41%)
  - ▶ retention (38%)

## Major Finding 5

**Integration challenges continue to limit the strategic potential of people analytics.**

- Fewer than half (42%) of HR professionals agree or strongly agree that their HR systems are well integrated for data analysis.
- Only 26% say their organizations often or always integrate non-HR data with HR data for analytics.
- Among those that do, integration most commonly occurs with:
  - ▶ operations data (51%)
  - ▶ finance data (47%)
  - ▶ employee communications data (46%)

## Major Finding 6

**Integrating data from multiple systems remains the most difficult people analytics process.**

- Half of HR professionals find integrating data from multiple HR and non-HR systems to be very or fairly difficult.
- Other key challenges include:
  - ▶ training staff/building analytics capability (34%)
  - ▶ ensuring data quality, security, and compliance (33%)
  - ▶ selecting and managing analytics tools (32%)
  - ▶ gaining leadership buy-in (31%)

## Major Finding 7

### Most organizations still rely on basic analytics tools.

- The most commonly used tools are:
  - ▶ spreadsheet software and core HRIS/HCMS analytics (each used by about half of organizations)
  - ▶ non-core HR system analytics (40%)
  - ▶ survey and assessment platforms (37%)
  - ▶ business intelligence and visualization tools (33%)
  - ▶ Advanced solutions such as AI/machine learning platforms (25%), centralized data warehouses/lakes (21%), and specialized people analytics software (13%) are still used by a minority of organizations, indicating limited progress in tool sophistication.

## Major Finding 8

### AI use in people analytics is quickly expanding but remains in early stages.

- Only 26% of organizations report not using AI at all—down sharply from 60% last year.
- The most common AI applications are:
  - ▶ generating narratives and communications (35%)
  - ▶ analyzing unstructured text such as comments and interview notes (30%)
  - ▶ identifying qualified candidates (22%)



# Major Finding 9

**People analytics leader organizations (that is, PA leaders) far outperform PA laggards across every key metric.**

- Compared with organizations that are not effective at PA, PA leaders are:
  - ▶ over 5x more likely to integrate non-HR data with HR data for analytics (51% vs. 9%)
  - ▶ 6x more capable of making constructive changes based on analytics insights (75% vs. 12%)
  - ▶ nearly 4x more likely to say analytics improve business outcomes (93% vs. 13%)
  - ▶ nearly 3x more likely to use AI or machine learning platforms (e.g., OpenAI/Gemini) (52% vs. 18%)
  - ▶ far more likely to have well-integrated HR technology systems (87% vs. 22%)



Please note: The findings and recommendations contained in this report are informational only. Nothing in this report should be construed as constituting legal opinions or advice. Please consult an attorney if you have questions about the legal requirements, rules, or regulations associated with any content discussed in this report.

# Advancing People Analytics for Strategic Business Impact



## Finding: Less than one in four organizations are very or extremely effective at designing and implementing people analytics processes to drive value

### Defining large, mid-sized and small organizations

For the purpose of this report, large organizations have 1,000 or more employees, mid-sized organizations have 100 to 999 employees, and small organizations have 99 or fewer employees.

Only 23% of HR professionals report being very or extremely effective in designing and implementing processes to extract value from people analytics, unchanged from the [last two](#) years and lower than in 2021 (25%) and 2022 (27%).

Over two-fifths (44%) continue to describe their efforts as only somewhat effective or not effective at all, highlighting ongoing struggles to operationalize analytics for decision-making. This stagnation suggests that while the use of analytics tools may be expanding, most organizations are not yet realizing their full strategic potential.

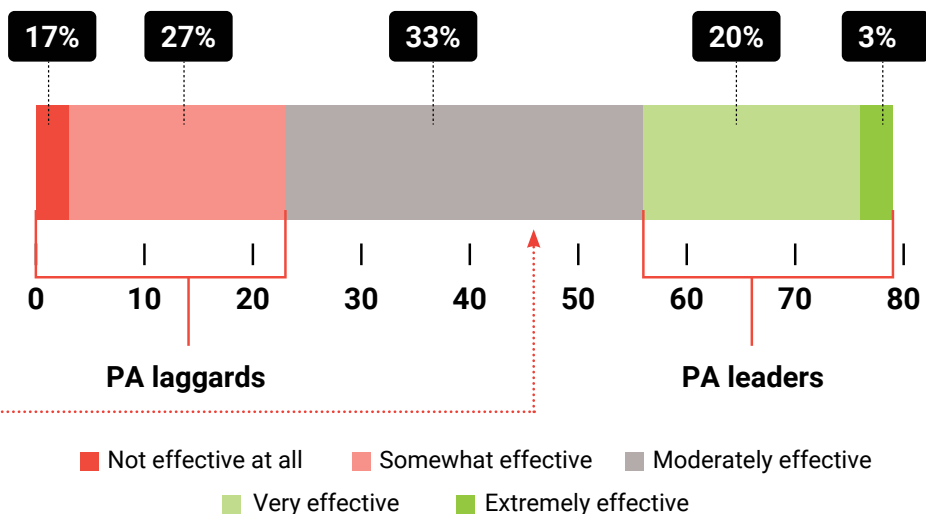
### Differences based on organizational size

Large organizations (27%) are more likely to say their organization is very effective at getting value out of PA compared to mid-sized (18%) and small organizations (14%).



A third of organizations remain only moderately effective at leveraging people analytics

### How effective is your organization at designing and implementing processes to get the most value out of people analytics?



Editor's Note: Percentages have been recalculated to exclude the 2% of respondents who answered "don't know."

### People Analytics (PA) cohort classification

To better analyze the data from our survey on people analytics, we broke our respondents into groups or cohorts based on the previous question:

- **People analytics leaders (aka PA leaders)** are respondents who answered the question "How effective is your organization at designing and implementing processes to get the most value out of people analytics?" as extremely or very effective.
- **People analytics laggards (aka PA laggards)** are respondents who answered the same question as somewhat effective or not effective at all.

For the purpose of creating these cohorts, we removed those that said their organizations are moderately effective in this area. Throughout this report, we will examine the data in a way that identifies correlations between various organizational factors and the perceived effectiveness of people analytics. Correlation does not prove causation, of course, but it may point our attention toward possible best practices and potential strategies.



## Finding: Fewer organizations see clear business impact from their people analytics efforts

This year, only 45% of HR professionals agree or strongly agree that their people analytics processes and technology systems provide insights that improve talent decisions and business outcomes.

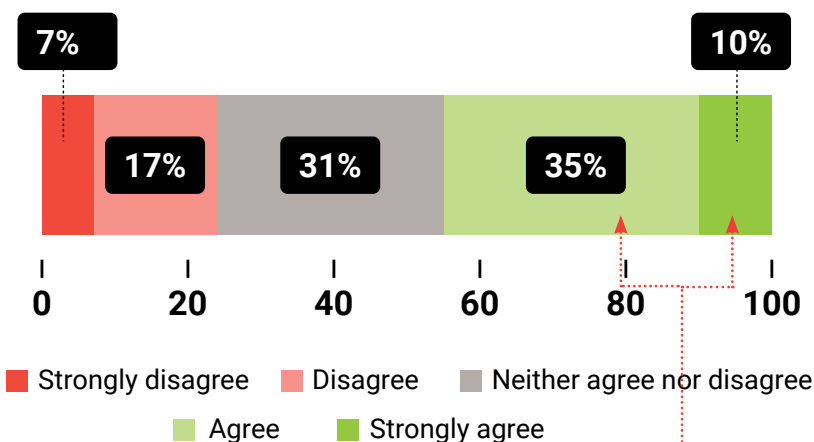
This marks a continued decline from 48% in 2024 and 57% in 2023, indicating that fewer organizations are realizing measurable value from their analytics investments. Nearly one in four (24%) disagree or strongly disagree, while 31% remain neutral, reflecting ongoing uncertainty about the tangible impact of analytics on organizational performance.

These results suggest that while many companies have adopted analytics tools, few have integrated them effectively into decision-making frameworks.



Only 45% report that people analytics is leading to better talent and business outcomes, continuing a multi-year decline

### Our people analytics processes and technology systems provide insights that lead to better talent decisions and improved business outcomes.



Editor's Note: Percentages have been recalculated to exclude the 3% of respondents who answered "don't know."

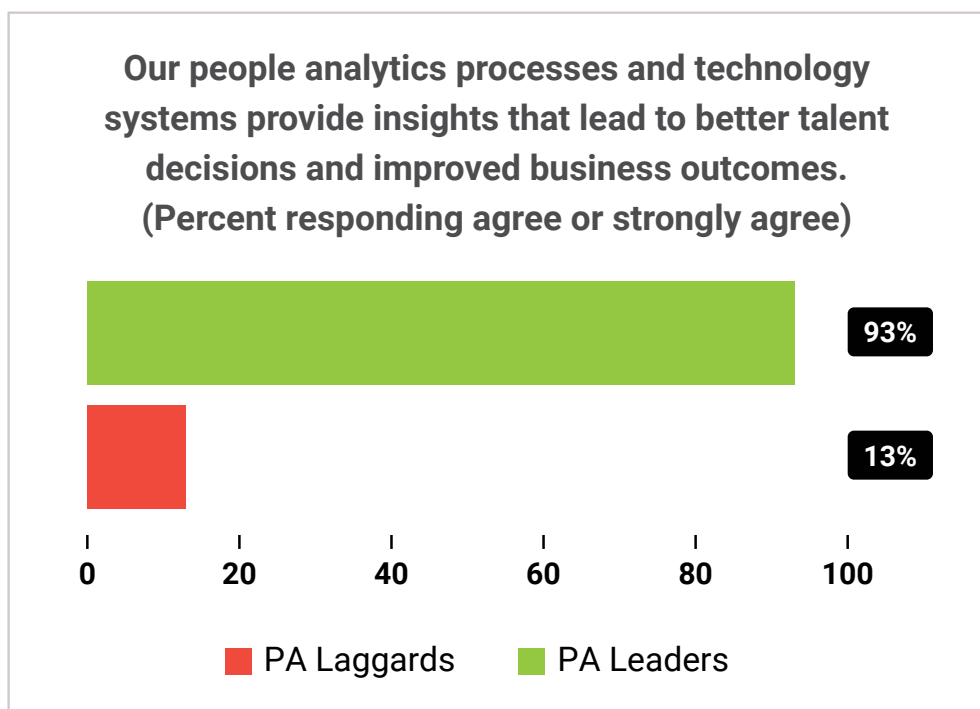


## Finding: PA Leaders are nearly seven times more likely to leverage people analytics to drive better business outcomes

Among PA leaders, 93% say their processes and technology systems help make talent decisions that improve business outcomes; only 13% of PA laggards say the same. This stark contrast highlights how mature analytics capabilities enable organizations to connect talent data with strategic decision-making.

### Results of Chi-square Test

A chi-square test of independence shows that PA leaders are significantly more likely than laggards to say their organization's people analytics processes and technology systems help make talent decisions that improve business outcomes.





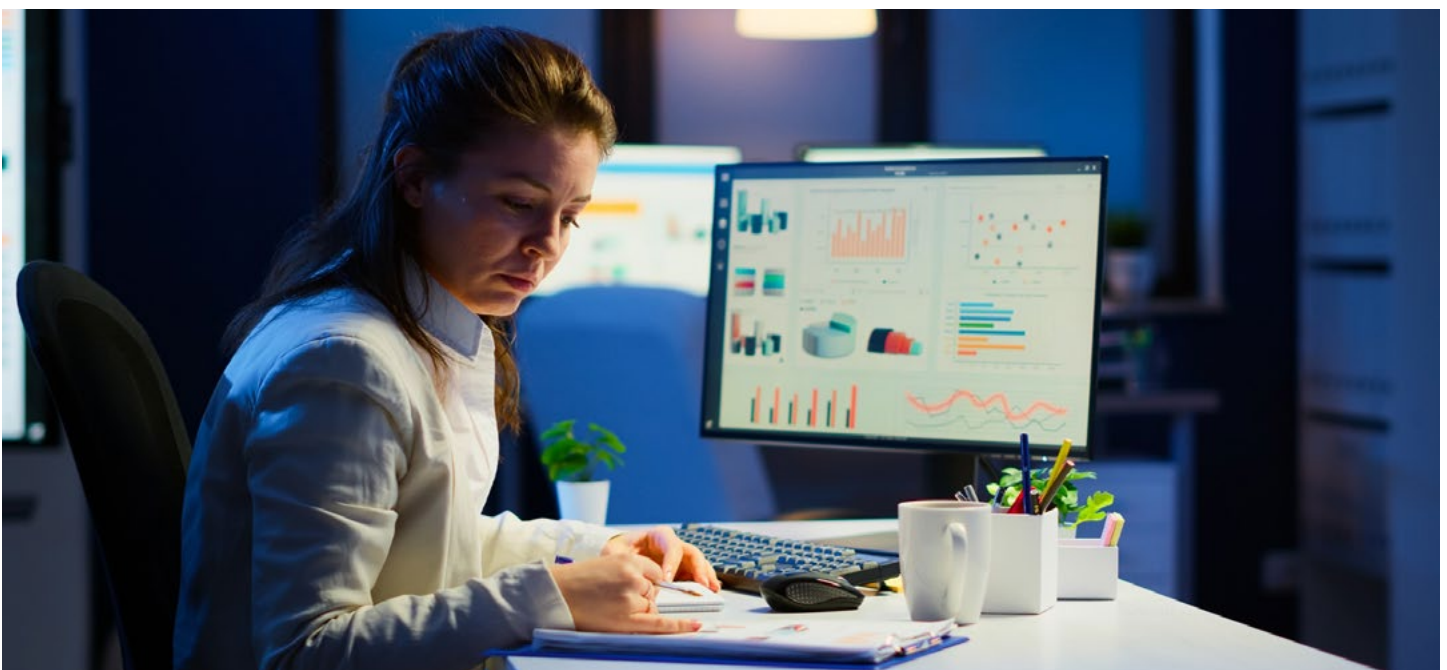
## Finding: Ownership of people analytics remains dispersed across HR functions

Responsibility for managing people analytics continues to be spread across various HR roles, with 28% indicating it is managed by the HR team or department as a whole. Equal proportions (16% each) cite the Chief People Officer/CHRO and Head of HR Operations as primary owners, while only 12% report having a dedicated Head of People Analytics.

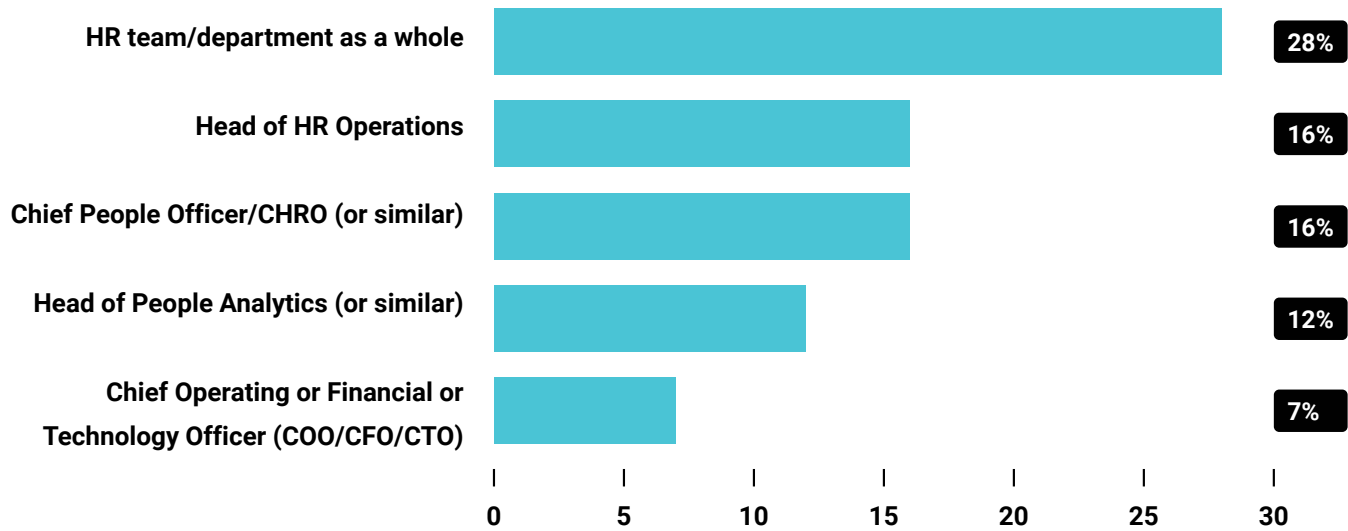
Among organizations with a Head of People Analytics, 28% report to the CHRO, while others report to HR Operations, HR Technologies, Talent Management, or the CEO. Fragmented ownership and reporting limits strategic integration and accountability. HR leaders can strengthen impact by establishing clear governance and dedicated analytics leadership with well-defined reporting lines.

### Differences based on organizational size

Compared to mid-sized and small organizations, large organizations are least likely to say that the HR team/department as a whole is responsible for people analytics, indicating that they are more likely to have specific person in charge of people analytics.



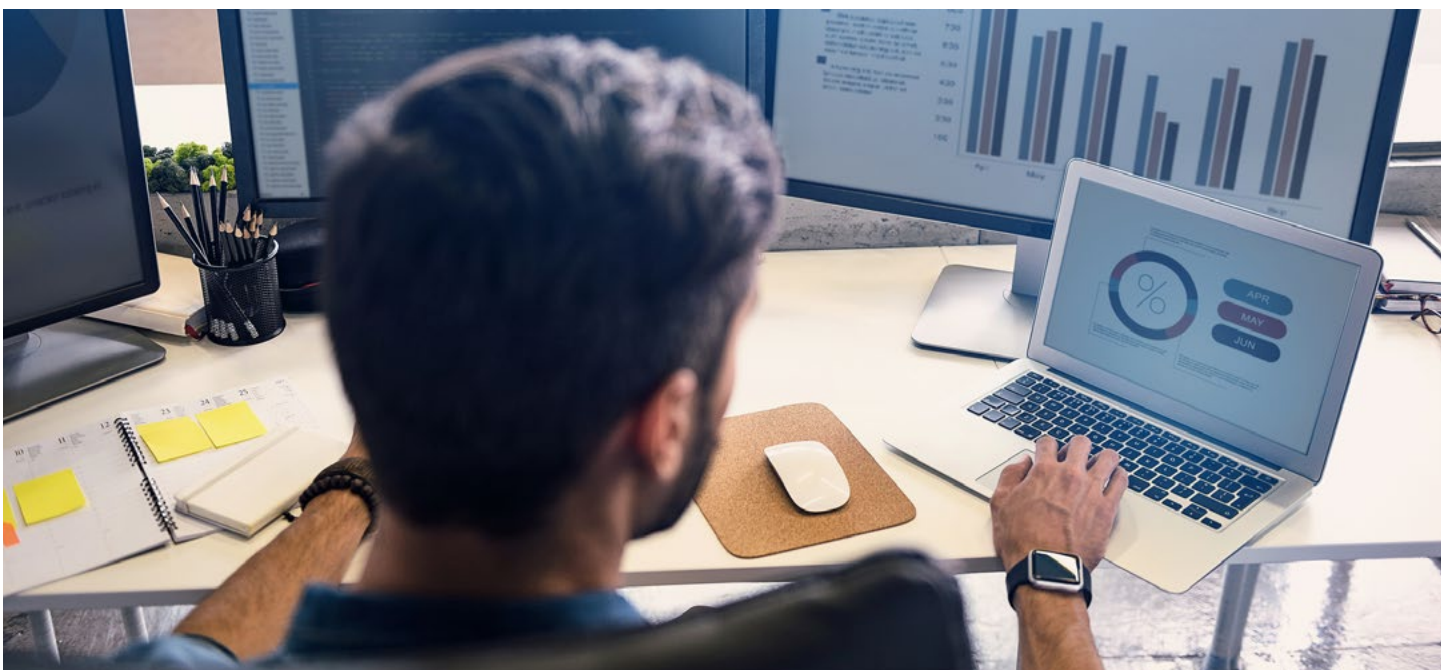
**In your organization, who is primarily responsible for managing people analytics? (select the one that best applies)**



Editor's note: Only options chosen by at least 5% of respondents are included in this chart.



**About one in ten organizations have a dedicated Head of People Analytics**



## HRRI Strategic Recommendations

Based on our research, please consider these suggestions:

- **Clarify ownership and accountability for analytics.**  
Assign a clear point of ownership such as a Head of People Analytics reporting to the CHRO. Create a governance framework that defines roles, data standards, and decision rights to strengthen accountability.
- **Develop analytics fluency across HR roles.**  
Provide data literacy and analytics interpretation training for HR business partners and managers to help them translate insights into actionable talent decisions.
- **Integrate analytics into business planning cycles.**  
Include people analytics reviews in quarterly workforce and strategic planning meetings so that insights inform hiring, retention, and development priorities.
- **Invest in systems that enable cross-functional data integration.**  
Connect HR data with operational and financial data through unified dashboards or shared data platforms to reveal links between workforce trends and business performance.
- **Evaluate analytics initiatives for business impact.**  
Track outcome-based metrics such as retention improvement, quality of hire, or leadership pipeline strength to assess the effectiveness of analytics efforts and refine strategies.



# Closing The Execution Gap in People Analytics



## Finding: Organizations are stronger at gathering data than acting on analytics insights

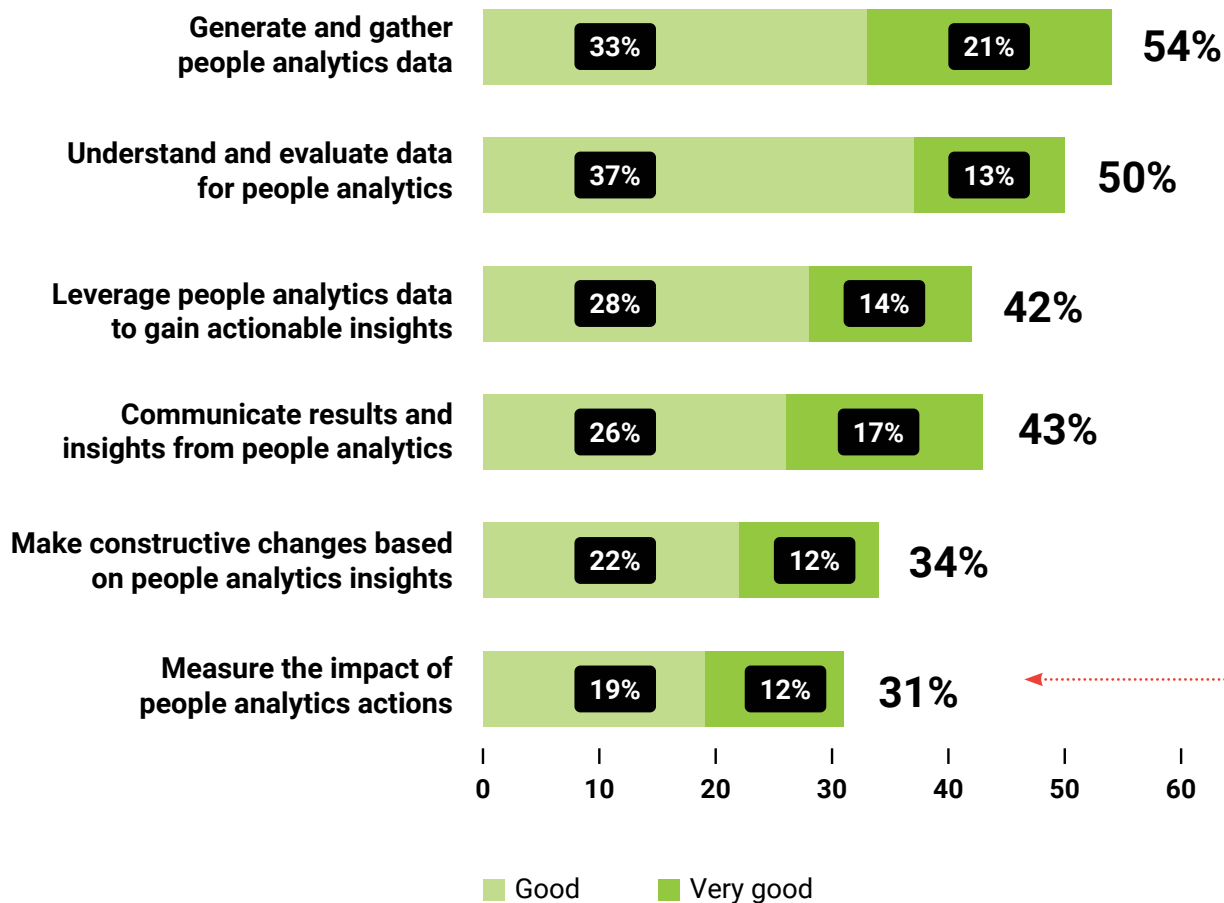
Organizations show moderate strength in foundational PA tasks such as generating (54%) and understanding data (50%) but struggle with translating insights into action. Roughly one-third rate themselves strong in measuring impact (31%) or making constructive changes (34%), revealing a persistent execution gap between data analysis and strategic application.

This gap creates a cause-and-effect cycle. Limited system integration, fragmented ownership, and inconsistent data practices hinder the use of insights, which in turn weakens confidence and investment in analytics. This cycle perpetuates the struggle to move from data collection to strategic decision-making, reinforcing declining business impact and highlighting integration challenges discussed later in the report.

### Differences based on organizational size

Large organizations are more likely to rate their ability in all the listed PA steps as very good when compared to midsized and small organizations. For instance, 29% of large organizations rate themselves very good at generating and gathering PA data compared to 15% of midsize and 9% of small organizations who say the same.

Please rate your organization's current ability to engage in these six people analytics steps:



Editor's Note: Percentages have been recalculated to exclude the 2% of respondents who answered "don't know."



Only 31% rate their ability to measure the impact of PA actions as good or very good



## Finding: PA leaders are almost six times more capable than laggards at making constructive changes based on PA insights

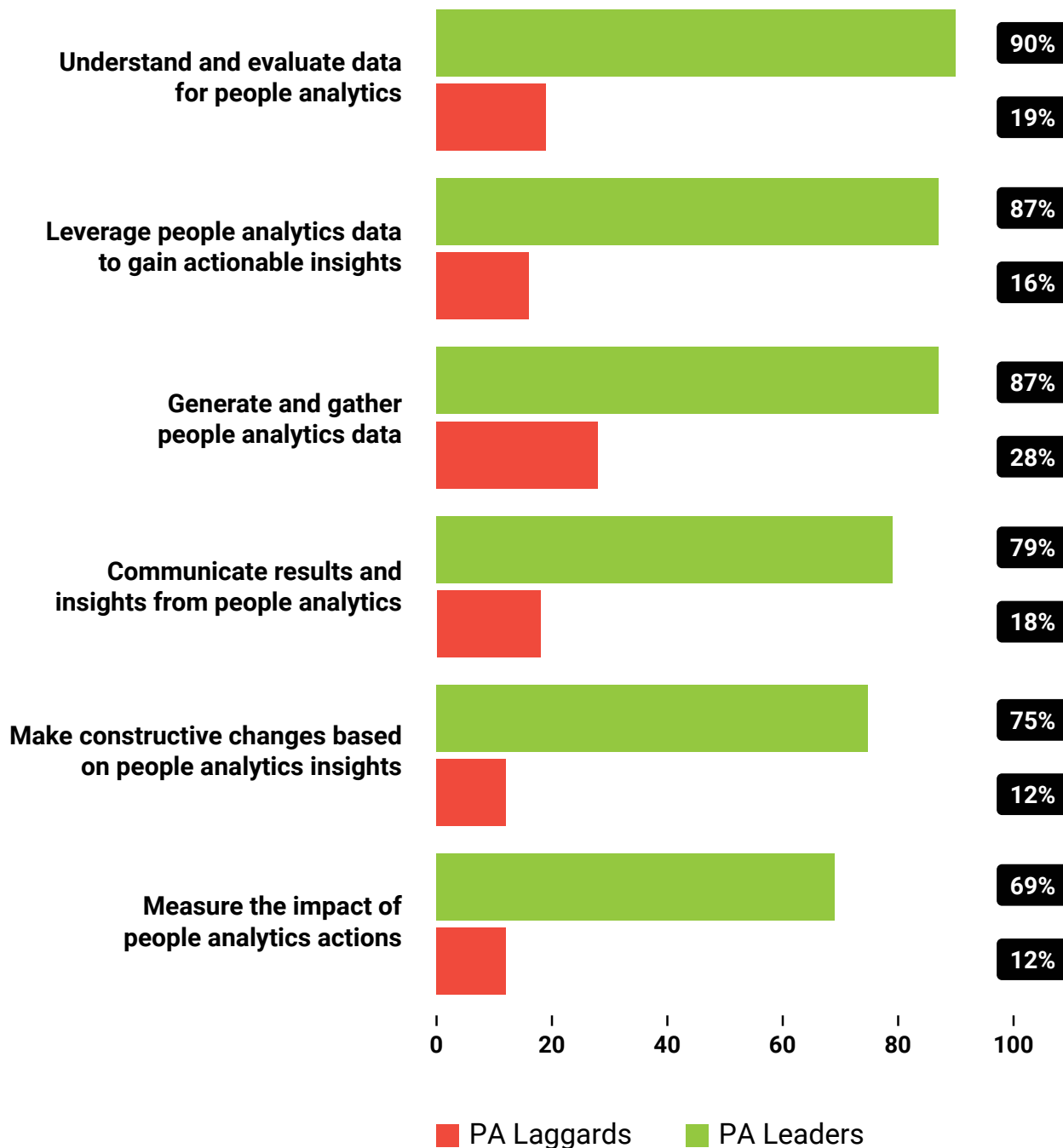
### Results of Chi-square Test

A chi-square test of independence shows that PA leaders are significantly more likely than laggards to rate their current ability on all listed PA processes as good or very good.

PA leaders far outperform laggards across every capability, from understanding data (90% vs. 19%) to making constructive changes (75% vs. 12%). While leaders use analytics to drive measurable outcomes and inform strategy, laggards continue to struggle with basic data generation and communication. This gap shows that analytics maturity depends less on technology and more on the ability to interpret insights and act on them.



Please rate your organization's current ability to do the following:  
(Percent responding "good" or "very good")





## Finding: Less than half of HR professionals regularly use people analytics for strategic and business-impact tasks

### Results of Chi-square Test

A chi-square test of independence shows that PA leaders are significantly more likely than laggards to rate their current ability on all listed PA processes as good or very good.

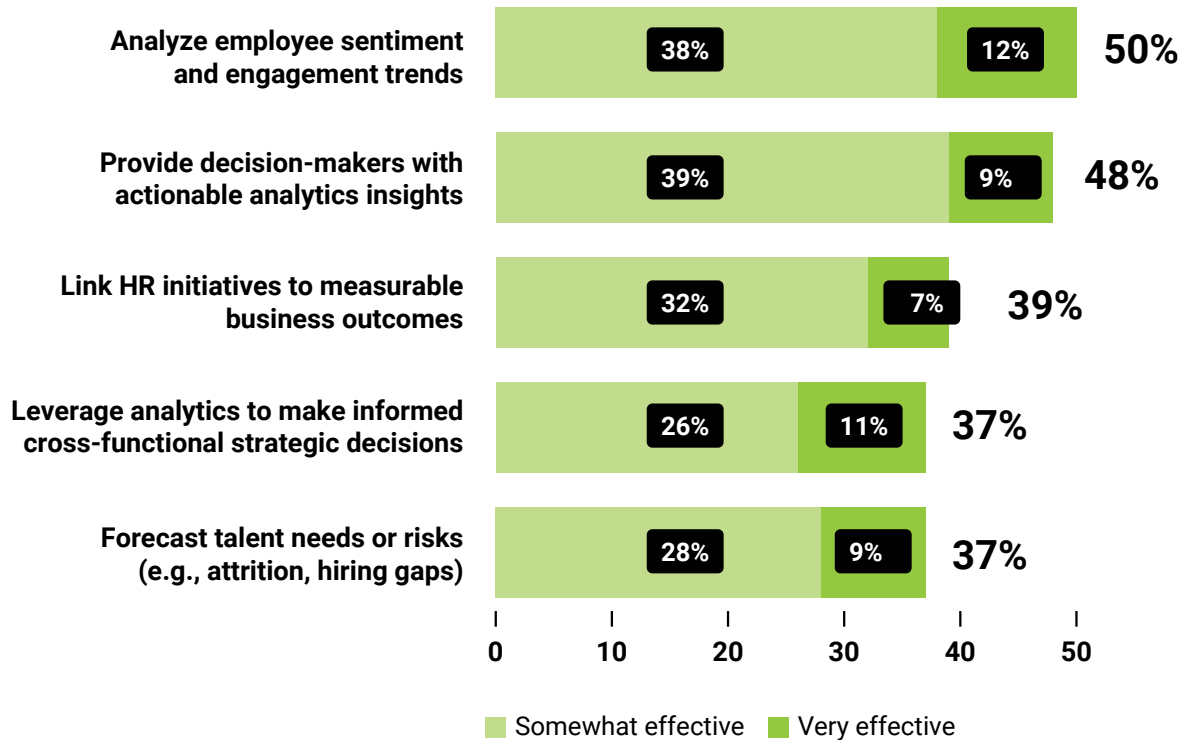
Only a minority of HR professionals frequently or consistently use people analytics to forecast talent risks (37%) and guide cross-functional decisions (37%). About half (48%) use it to provide actionable insights to decision-makers and for activities tied to employee experience, such as analyzing engagement and sentiment. Linking HR initiatives to measurable business outcomes has moderate adoption (39%). This highlights an ongoing gap between HR's analytical capability and its application in strategic decision-making.

### Differences based on organizational size

HR professionals in large organizations are more likely to use PA for the all the listed tasks when compared to midsized and small organizations. For instance, 41% of HR professionals in large organizations often/always use PA to forecast talent needs or risks (e.g., attrition, hiring gaps) compared to 31% from midsize and 23% from small organizations who do the same.



## How frequently do HR professionals in your organization use people analytics to perform the following tasks?



Editor's Note: Percentages have been recalculated to exclude the 2% to 4% of respondents who answered "don't know."





## Finding: HR Professionals in leader organizations are four times more likely than laggards to use PA to analyze sentiment and engagement trends.

### Results of Chi-square Test

A chi-square test of independence shows that PA leaders are significantly more likely than laggards to say they are able to use analytics and data to achieve all listed outcomes.

PA leaders apply analytics across nearly every key task, far more frequently than laggards do. Most leaders use analytics to analyze engagement trends (80%), provide decision-makers with actionable insights (79%), and support cross-functional strategy (77%). In contrast, fewer than one in five laggards do the same. The sharp divide shows that leaders embed analytics into ongoing decision-making, while laggards still treat it as an occasional exercise. Building consistency in how analytics informs daily HR and business practices is a necessary step toward maturity.



How frequently do HR professionals in your organization use people analytics to perform the following tasks? (Percent responding "often" or "always")



PA leaders are four times more likely than laggards to deliver actionable insights to decision-makers



## Finding: People analytics generates the strongest insights for HR leadership and top leadership

HR professionals rate people analytics as very or somewhat effective for HR leadership (86%), top leadership (78%), HR staff (76%) and middle management (72%). Effectiveness is lower for line managers (56%) and all employees (45%). However, there is a stark contrast when we look at just the very effective ratings: only 9% of employees versus 38% of HR leadership.

The data highlights that people analytics insights are concentrated at the leadership level, with frontline employees and line managers receiving limited actionable intelligence.



Fewer than half believe all employees receive effective people-related insights



Editor's Note: Percentages have been recalculated to exclude the 5% to 7% of respondents who answered "don't know."



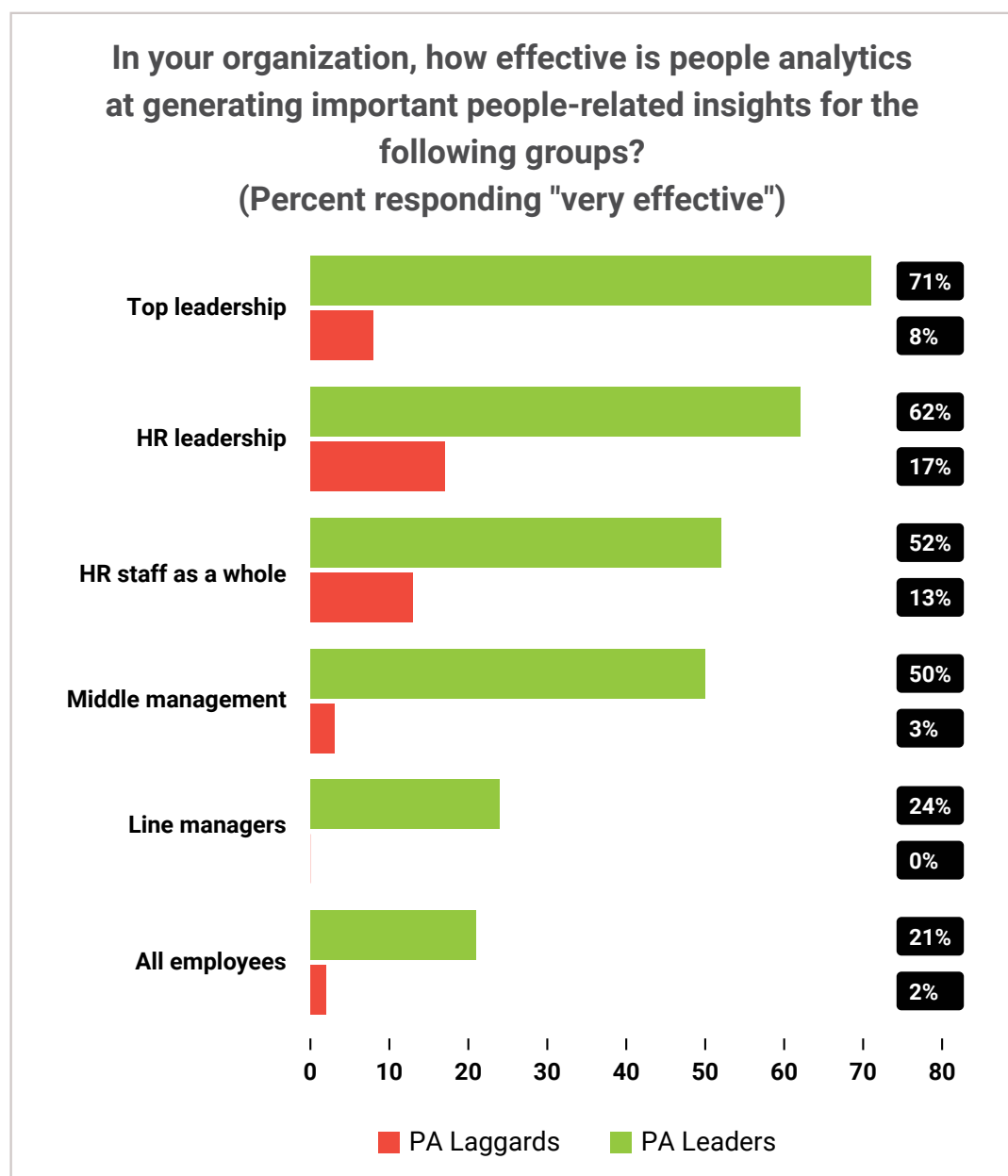
## Finding: PA leaders are nine times more likely than laggards to provide very effective insights to top leadership

### Results of Chi-square Test

A chi-square test of independence shows that PA leaders are significantly more likely than laggards to say their PA generates important people-related insights for all listed groups.

PA leaders report that people analytics is very effective for top leadership (71%), and HR leadership (62%), while laggards report minimal effectiveness.

This contrast highlights that leaders translate data into actionable insights for multiple employee levels, demonstrating both advanced analytics capabilities and stronger alignment with business needs.





## Finding: Presentations and email remain the primary channels for delivering people analytics

Most organizations deliver analytics insights to senior leaders through presentations (63%) and email attachments (52%). Dashboards are used by 44% of respondents and of these respondents, only 36% agree or strongly agree that their people analytics dashboards in core technology systems are sufficient and ready to use without modification. This indicates that many organizations require adjustments or customization to meet their reporting and analysis needs.

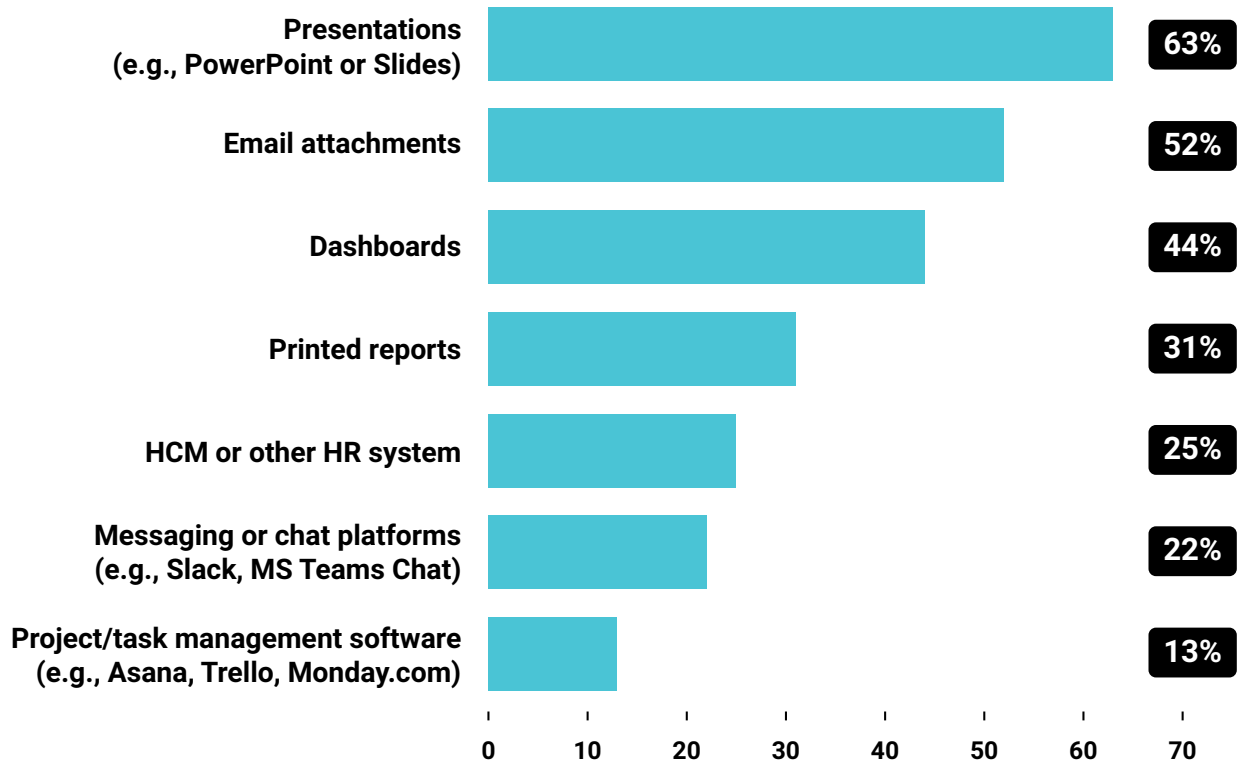
HCM or other HR systems (25%), messaging platforms (22%), and project or task management software (13%) are less common. These results suggest that despite the availability of modern reporting tools, traditional formats like slides and email continue to dominate, potentially limiting interactive or real-time access to analytics. HR leaders may benefit from increasing adoption of dashboards and integrated platforms to provide more dynamic and actionable insights.

Limited access and interactivity in communication channels likely contribute to the gap in utility of PA insights for line managers and all employees, underscoring the need for broader, more dynamic reporting platforms that make analytics usable at every level of the organization.

### Differences based on organizational size

Large organizations (55%) are much more likely to use dashboards to deliver PA reports when compared to midsized (35%) and small organizations (28%).

How are you currently delivering reports based on people analytics to senior leaders? (select all that apply)



Only a quarter of organizations use HCM systems to share people analytics

## HRRRI Strategic Recommendations

Based on our research, please consider these suggestions:

- **Embed analytics into daily HR decision-making.**  
Use insights routinely to guide talent decisions, engagement initiatives, and workforce planning. Incorporate analytics discussions into team meetings and leadership reviews to make data-driven decisions a standard practice.
- **Translate insights into actionable initiatives.**  
Develop a formal framework that links analytics outputs to specific interventions, defines clear next steps, assigns owners, and sets timelines to ensure insights lead to measurable change.
- **Extend analytics capabilities beyond leadership.**  
Train managers and line leaders to interpret and act on people analytics, providing them with dashboards and decision-support tools so insights reach all levels of the organization.
- **Measure the impact of analytics initiatives.**  
Implement processes to track the outcomes of analytics-driven actions, including engagement, retention, performance, and business metrics, to demonstrate value and inform continuous improvement.
- **Modernize analytics communication channels.**  
Move beyond static presentations and email by expanding the use of interactive dashboards and integrated HR platforms. Enable real-time access to analytics through centralized systems that allow leaders to explore data directly, supporting faster, more informed decision-making.
- **Standardize reporting for actionable insights.**  
Create consistent dashboards and reporting formats that deliver timely, relevant, and actionable insights to decision-makers across HR, leadership, and business functions.

# Best Practices That Strengthen People Analytics Capabilities



## Finding: Respondents say that people analytics is most important for employee experience/engagement

Employee experience and engagement remains the top-ranked area for people analytics (51%), followed by recruitment and selection (46%) and performance management (46%). When compared to last year, use of PA insights in compensation and benefits (41%) remain important, while retention (38%) has fallen in ranking. DEIB analytics continues to receive limited focus (14%), remaining outside the top five. These patterns show that core talent management areas dominate analytics efforts, while strategic areas like retention and DEIB may be underutilized. For example, insufficient attention to retention analytics may prevent early identification of turnover risks, resulting in higher attrition and associated costs. Similarly, limited DEIB insights may hinder efforts to build a truly inclusive workforce and address equity gaps, which can impact employee engagement, employer brand, and long-term organizational performance. HR leaders should expand analytics beyond operational priorities to inform broader workforce strategies.

### Differences based on organizational size

Large organizations are most likely to use PA for recruitment and selection, midsized organizations for employee experience/engagement and small organizations for performance management.

For which of the following HR functional areas are people analytics most important in your organization? (select up to five)



Only 14% of organizations prioritize DEIB for people analytics



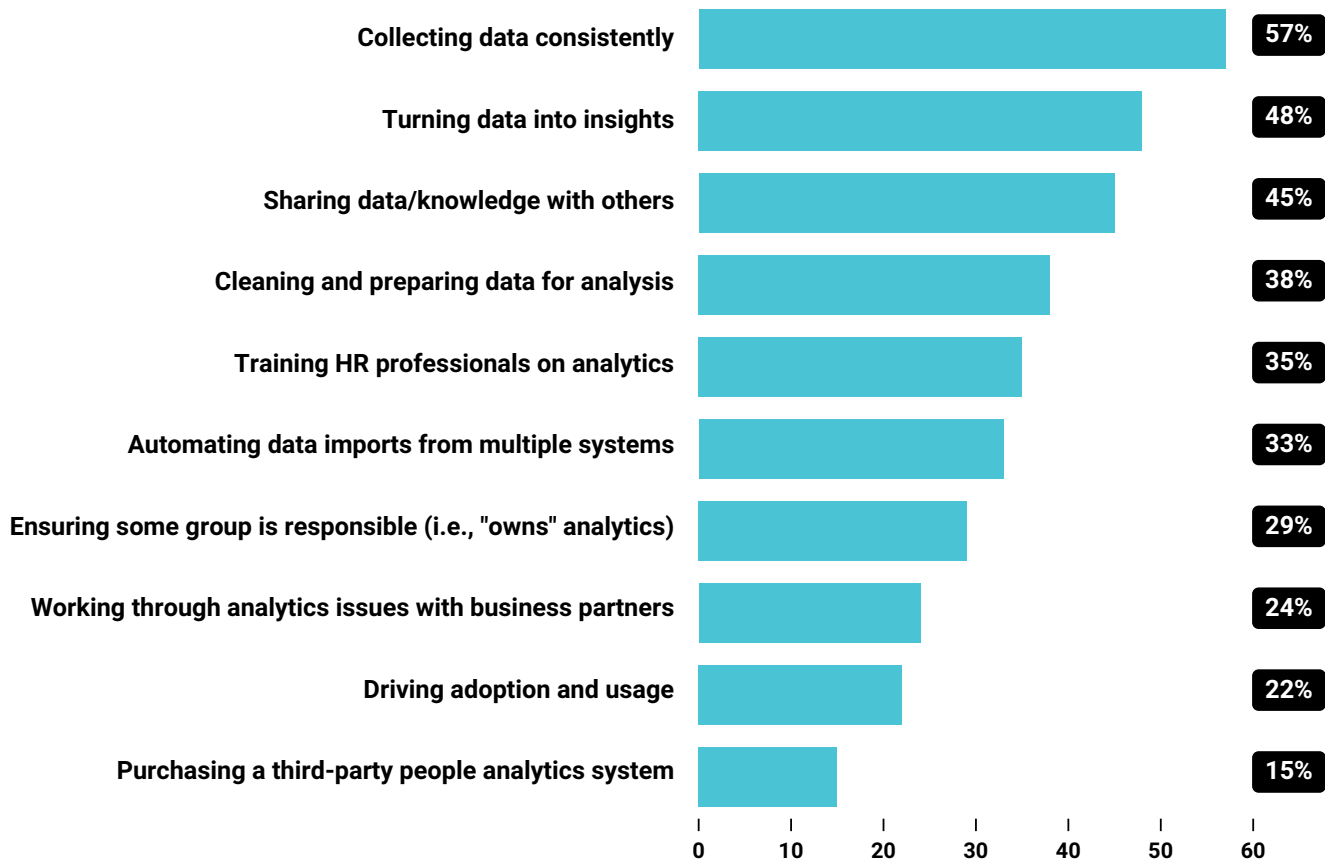
## Finding: Consistent data collection and sharing drive the greatest improvements in people analytics

HR professionals identify collecting data consistently as the most useful practice (57%) for enhancing people analytics capabilities. Sharing data (45%) and turning it into actionable insights (48%) are also highly valued, followed by cleaning and preparing data (38%) and training HR professionals on analytics (35%).

Practices related to governance, collaboration, and technology adoption, such as assigning ownership (29%), working with business partners (24%), driving adoption (22%), and purchasing third-party systems (15%), are less frequently cited, suggesting that while foundational data practices are widely recognized, building organizational processes and adoption still lags.



Select five of the following practices that have been most useful for improving people analytics in your organization. (select up to five)





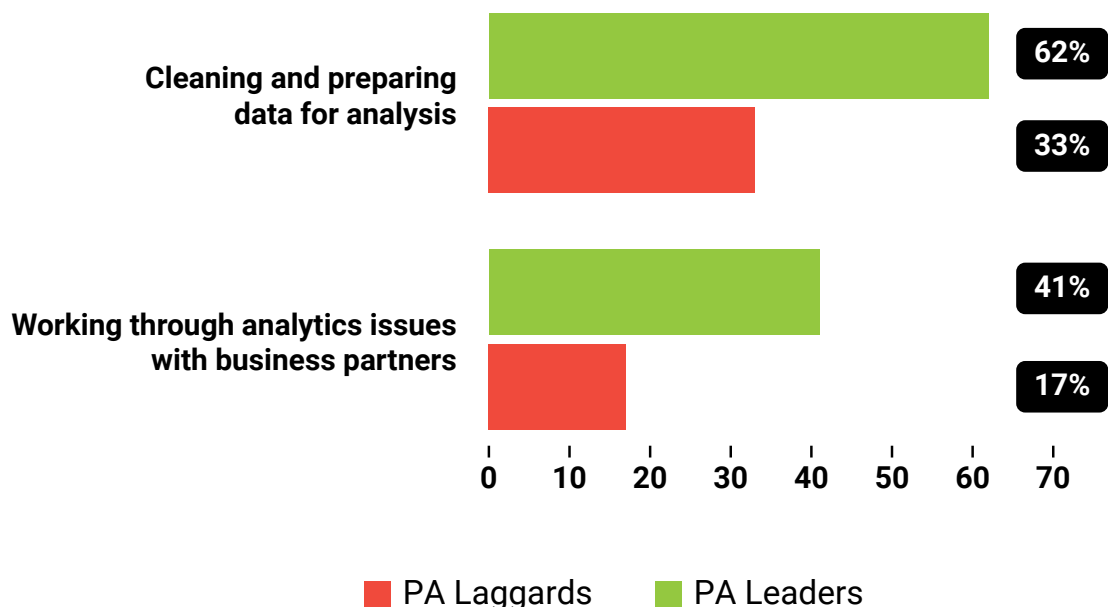
## Finding: PA leaders are nearly twice as likely than laggards to view cleaning and preparing data for analysis as an important practice

PA leaders are more likely than laggards to say cleaning data for analysis (62% vs. 33%) and working through analytics issues with business partners (41% vs. 17%) have been useful practices for improving PA in their organizations, demonstrating their focus on data hygiene and collaboration.

### Results of Chi-square Test

A chi-square test of independence shows that PA leaders are significantly more likely than laggards to say the listed practices are useful for improving people analytics in their organization.

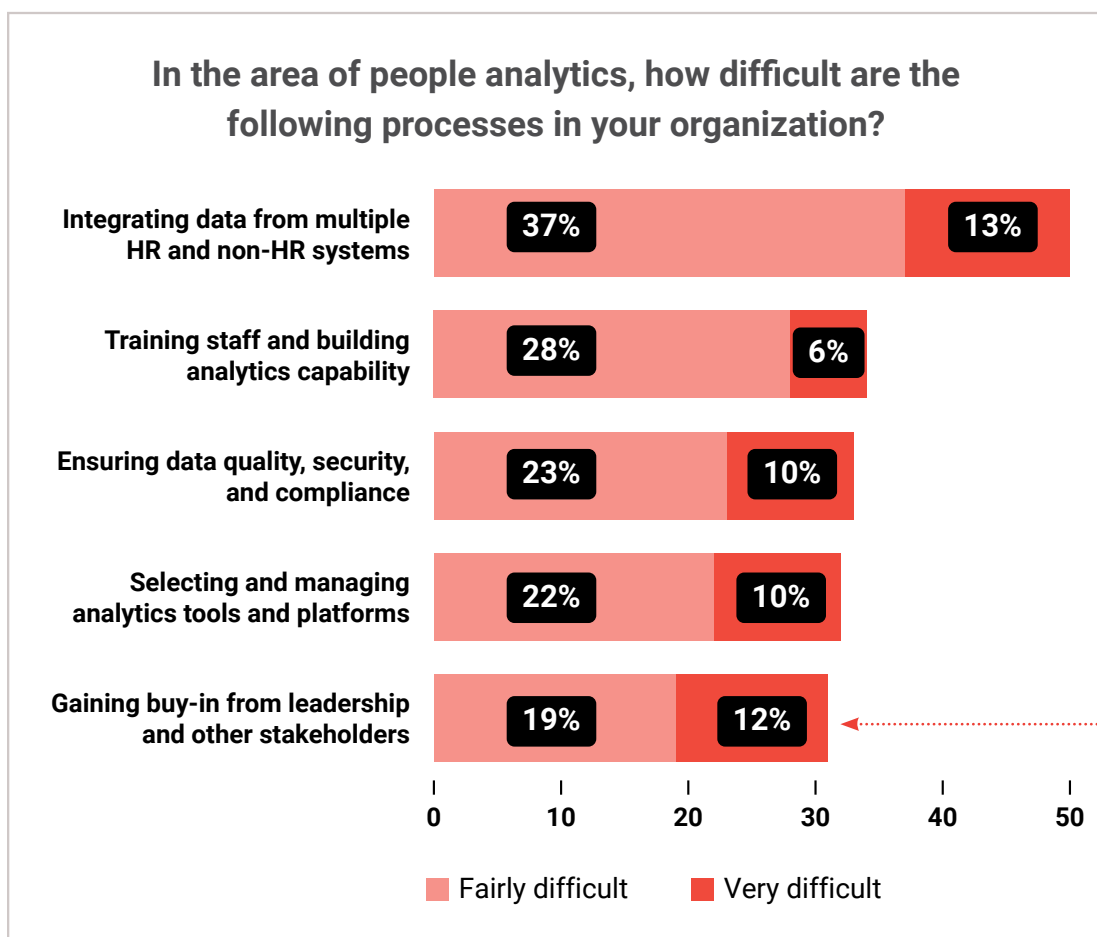
Select five of the following practices that have been most useful for improving people analytics in your organization.  
(select up to five)





## Finding: Integrating data from multiple systems is the most challenging people analytics process

HR professionals report that integrating data from multiple HR and non-HR systems is the most difficult process, with half finding it very or fairly difficult. This challenge is often compounded by reliance on specific tools that may not easily connect or share data, creating silos and limiting the effectiveness of analytics. Training staff and building analytics capability (34%) also presents notable challenges. Selecting and managing analytics tools (32%), ensuring data quality, security, and compliance (33%) and gaining buy-in from leadership (31%) are comparatively less difficult but still barriers for some organizations.



About a third find getting buy-in from leadership and other stakeholders to be a challenge

Editor's Note: Percentages have been recalculated to exclude the 4% to 9% of respondents who answered "don't know."



## Finding: Integrating data across systems is over three times less challenging for PA leaders than laggards

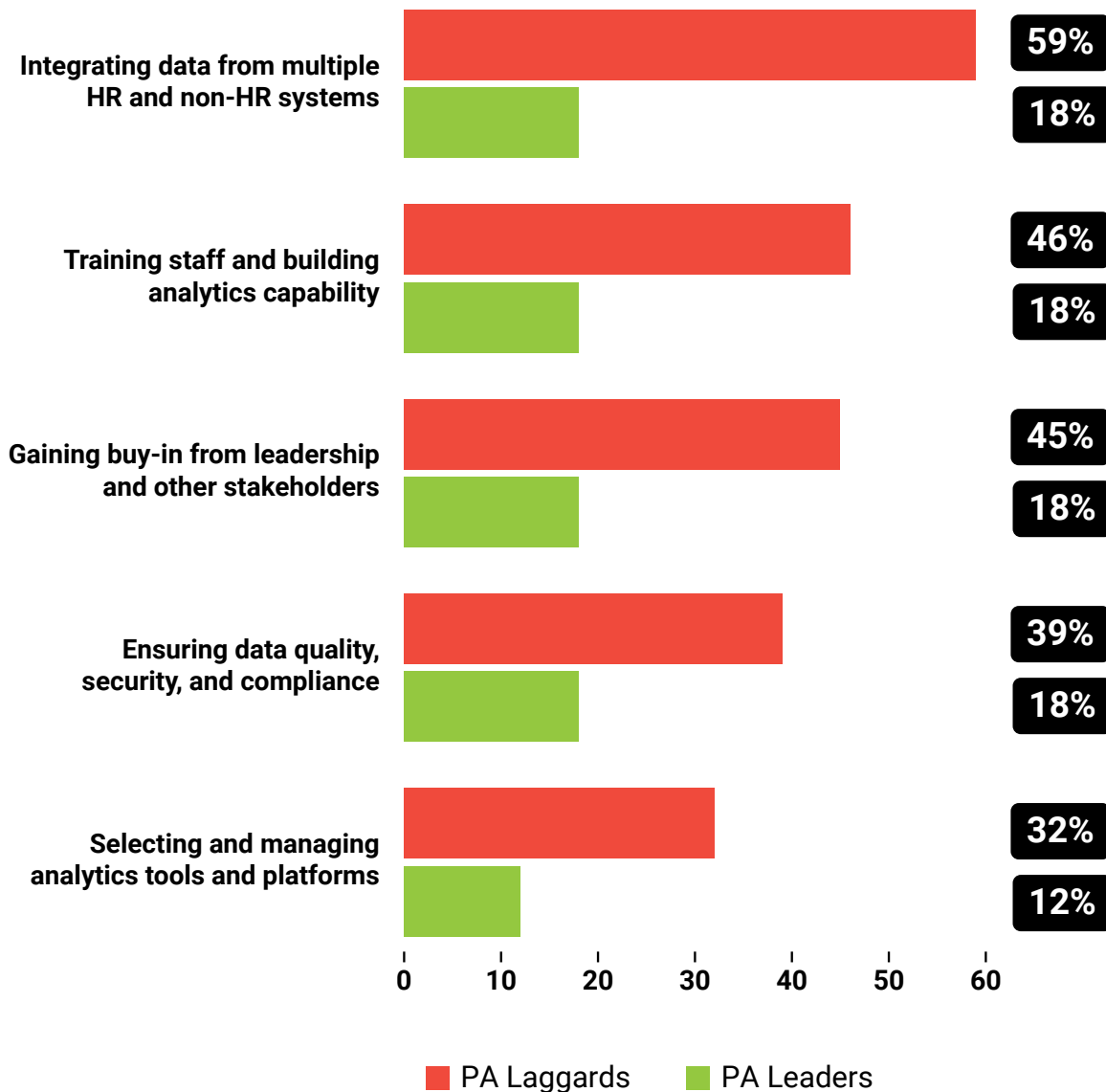
Compared with laggards, PA leaders report far fewer challenges in integrating data from multiple systems (18% vs. 59%), training staff (18% vs. 46%), and gaining leadership buy-in (18% vs. 45%). Their relative ease in managing tools and ensuring data quality highlights the value of stronger infrastructure and governance in advancing analytics maturity.

### Results of Chi-square Test

A chi-square test of independence shows that PA laggards are significantly more likely than leaders to say the listed PA processes are fairly or very difficult.



In the area of people analytics, how difficult are the following processes in your organization?  
(Percent responding "fairly difficult" or "very difficult")



PA laggards are 2.5 times more likely than leaders to say gaining buy-in from leadership and other stakeholders is fairly/very difficult

## HRRI Strategic Recommendations

Based on our research, please consider these suggestions:

- **Establish consistent data collection and cleaning processes.**  
Standardize data capture across all HR systems and ensure regular cleansing to improve accuracy and reliability, forming a strong foundation for analytics.
- **Share insights and knowledge across teams.**  
Create structured reporting and communication channels to ensure analytics outputs reach HR staff, managers, and leadership, enabling informed decision-making at all levels.
- **Embed analytics into talent management processes.**  
Integrate insights into employee experience, recruitment, and performance management initiatives to ensure people analytics informs core HR strategies.
- **Build analytics capability within HR teams.**  
Develop training programs for HR staff and managers to interpret data, generate actionable insights, and apply them to day-to-day decisions.
- **Strengthen governance and cross-functional collaboration.**  
Assign clear ownership for analytics, establish data standards, and engage business partners to streamline integration, secure leadership support, and reduce barriers to adoption.



# Closing Gaps in HR System Integration and Cross-Functional Insights

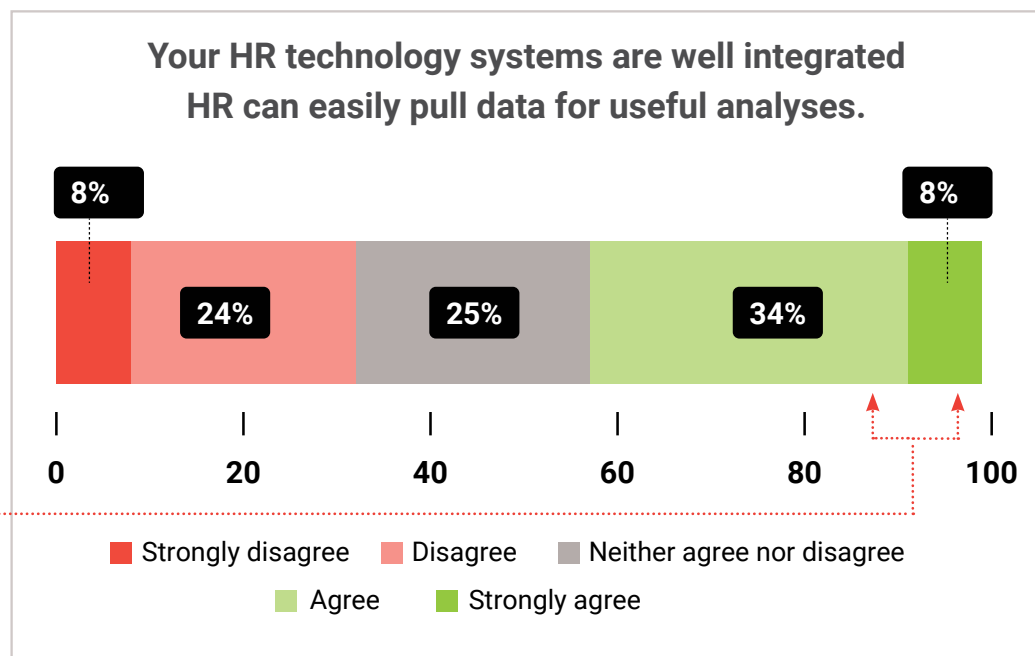


## Finding: HR technology integration remains a challenge for many organizations

Only 42% of HR professionals agree or strongly agree that their HR technology systems are well integrated for easy data analysis, while 25% are neutral and 32% disagree or strongly disagree. This indicates that despite investments in HR technology, many organizations still face barriers in accessing and consolidating data for meaningful insights. Improving system integration is critical for enabling timely analytics, supporting data-driven decisions, and enhancing overall people analytics capabilities.



Fewer than half of organizations report that their HR systems are well integrated for analysis



Editor's Note: The numbers don't add up to 100% due to rounding.



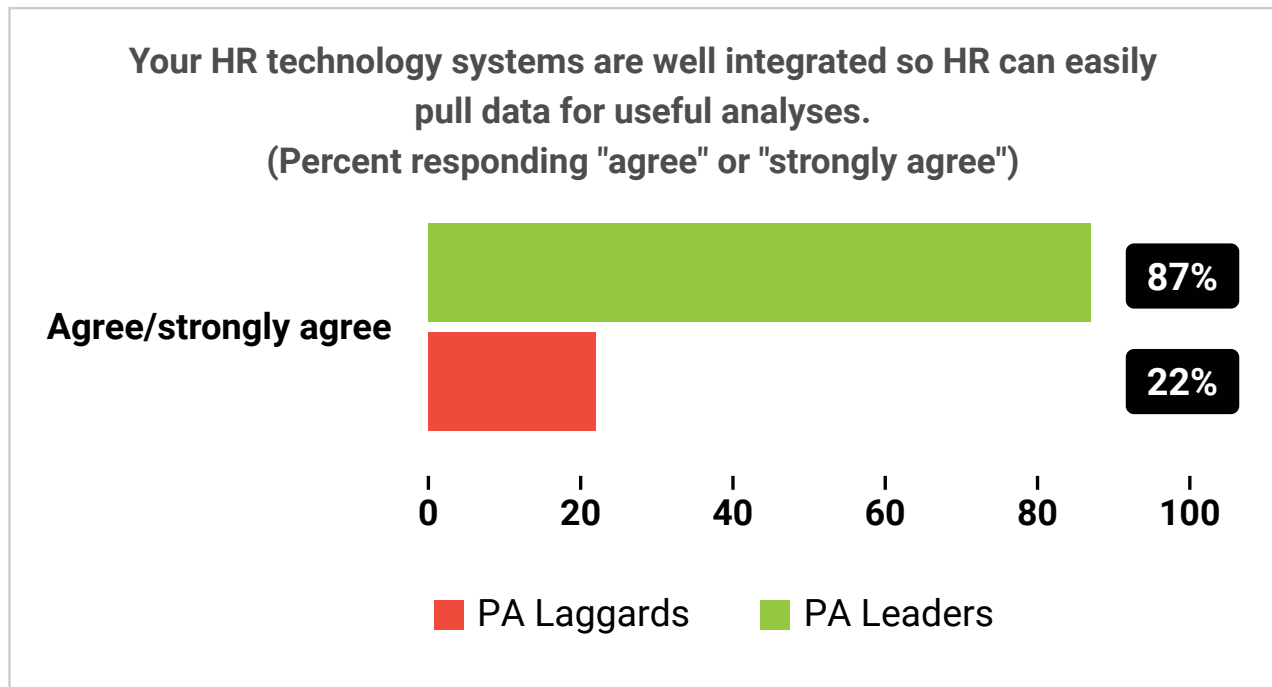
## Finding: PA leaders are almost four times as likely as laggards to have well-integrated HR technology systems

Nearly nine in ten PA leaders (87%) agree that their HR systems are well integrated, enabling easy access to data for meaningful analysis. In contrast, only 22% of laggards report the same level of integration.

This gap shows that leaders can efficiently leverage data for insights, while laggards face structural barriers that limit analytics maturity and slow decision-making.

### Results of Chi-square Test

A chi-square test of independence shows that PA leaders are significantly more likely than laggards to say their HR tech systems are well integrated.





## Finding: Just over a quarter of organizations often or always integrate non-HR data with HR data

Only 26% of organizations often or always integrate non-HR data with HR data, while a third do so sometimes, and 41% rarely or never combine these datasets. This highlights a gap in connecting workforce insights with broader business metrics, which limits the ability to understand organizational performance holistically. HR leaders should prioritize cross-functional data integration to enable more strategic, evidence-based decision-making.

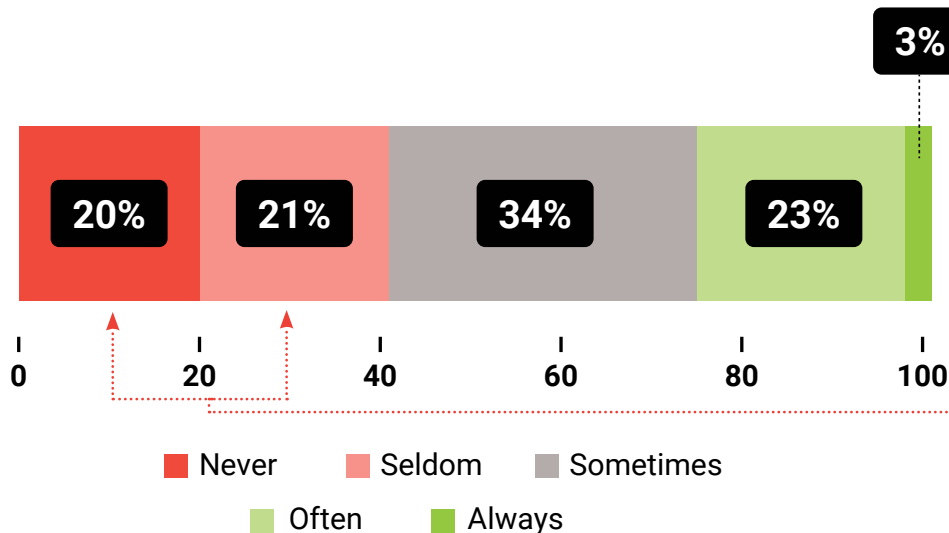
Organizations that integrate HR and non-HR data to some degree were asked follow-up questions which reveal additional barriers. Just 28% have people analytics data that is extracted into a unified data warehouse and/or data lake within their HR technology system, and 32% store it externally such as an organization-wide BI platform, while 40% do not extract data into a unified data warehouse or data lake at all. Data is pulled from multiple systems, with most organizations (63%) using two to four HR or non-HR systems, but some (30%) rely on five or more systems, and a small minority (5%) access data from 16 or more sources.

These findings indicate that many HR teams face fragmented systems and siloed data, which hinder timely and comprehensive analysis.

### How often does your organization integrate non-HR data with HR data?



Two-fifths of organizations seldom or never integrate non-HR data with HR data



Editor's Note: Percentages have been recalculated to exclude the 9% of respondents who answered "don't know."



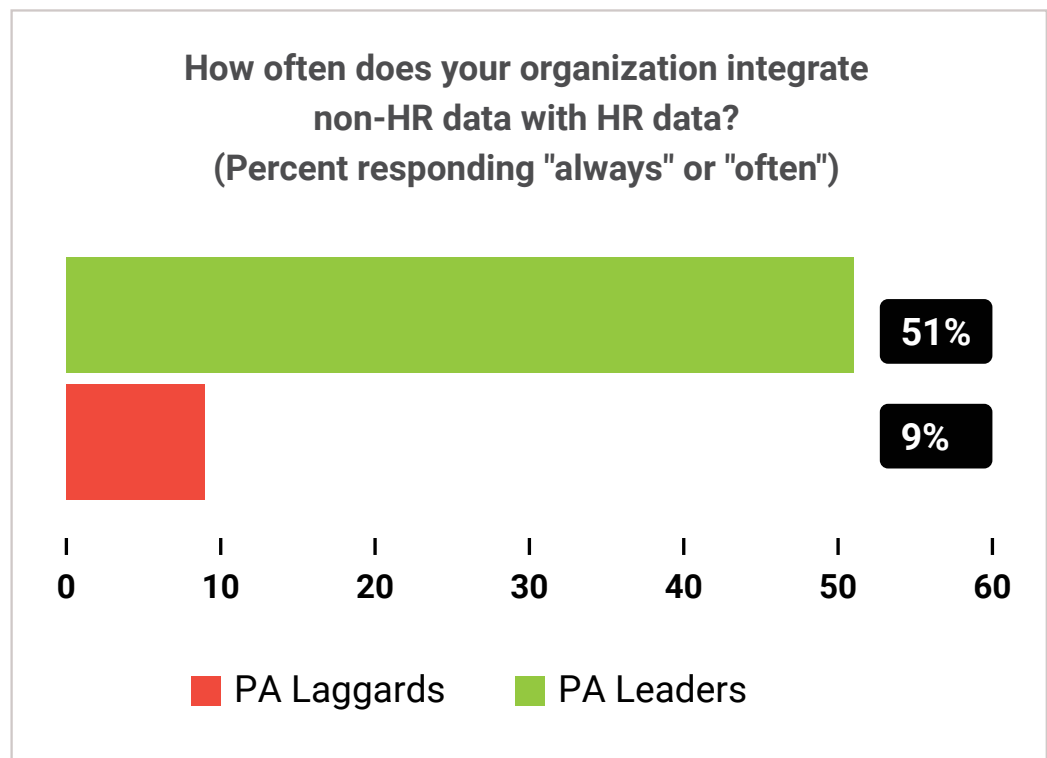


## Finding: Leaders are over five times more likely than laggards to say they integrate non-HR data with HR data always or often for analytics

Over half of PA leaders (51%) often or always integrate non-HR and HR data for analytics, compared to only 9% of laggards, underscoring a major maturity gap in data integration that limits laggards' ability to generate cross-functional insights.

### Results of Chi-square Test

A chi-square test of independence shows that PA leaders are significantly more likely than laggards to say they integrate non-HR data with HR data for the purpose of analytics.





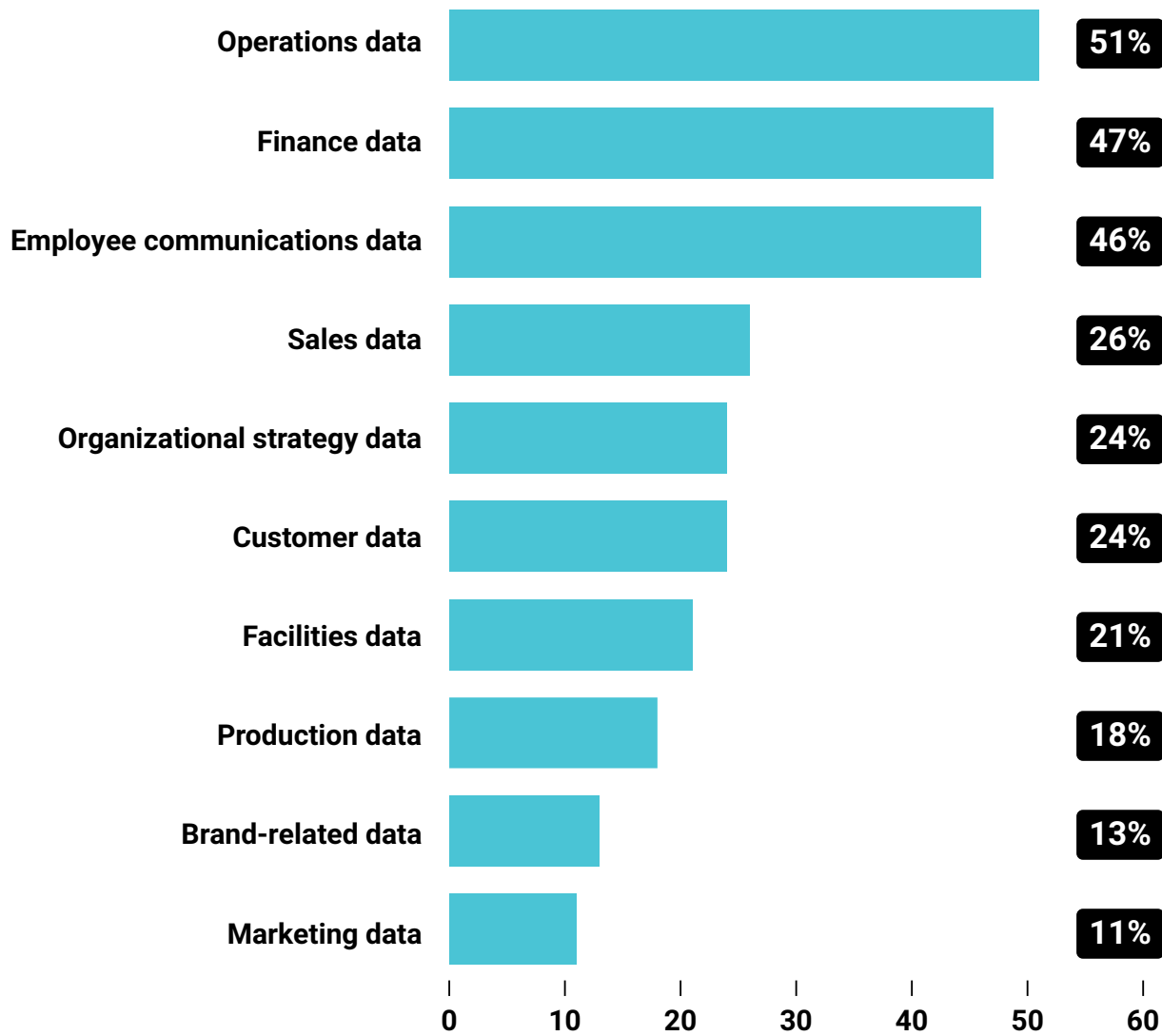
## Finding: Operations data are most commonly integrated with people analytics

Among organizations that combine non-HR data with HR data, operations data (51%), finance (47%) and employee communications data (46%) are the most frequently integrated. Sales and organizational strategy data are each integrated by about a quarter of organizations, while customer, facilities, production, brand, and marketing data are less commonly connected. According to [HR.com's State of Employer Branding 2025](#) report, fewer than half of organizations say their employer brand is successful in enhancing DEIB, talent attraction, employee engagement, or employee retention, which may be linked to the limited integration of brand and marketing data.

This pattern shows that most organizations focus on linking HR metrics with core operational and financial indicators, while strategic and external-facing data sources remain underutilized. As a result, many teams miss opportunities to generate holistic business insights, such as identifying how workforce trends relate to sales performance, brand-related data or overall organizational strategy alignment.



What types of non-HR data are integrated with your organization's people-related data? (select all that apply)



Only about a tenth of organizations integrate brand or marketing data with people analytics

## HRRI Strategic Recommendations

Based on our research, we have the following suggestions:

- Strengthen HR system integration.**  
 Invest in consolidating HR technology platforms and streamline data flows to enable faster, more reliable access to workforce analytics.
- Integrate non-HR data with HR metrics.**  
 Develop processes to combine operational, financial, and strategic business data with HR data to generate holistic insights and inform cross-functional decisions.
- Centralize analytics data.**  
 Establish unified data warehouses or data lakes to store HR and non-HR data, reducing silos and improving accessibility for analytics and reporting.
- Prioritize data governance and quality.**  
 Implement standards and validation processes to ensure data from multiple sources is accurate, secure, and compliant, enabling trusted analytics outputs.
- Expand integration to underutilized data sources.**  
 Include external-facing and strategic data, such as brand, marketing, and customer metrics, to enhance the scope and strategic relevance of people analytics.
- Train HR staff on managing integrated data.**  
 Provide skill development in handling multi-system datasets and analytics tools to improve efficiency, insights generation, and cross-functional collaboration.



# Adoption And Impact of People Analytics Tools And AI



## Finding: Spreadsheets and core HR systems remain the most used analytics tools

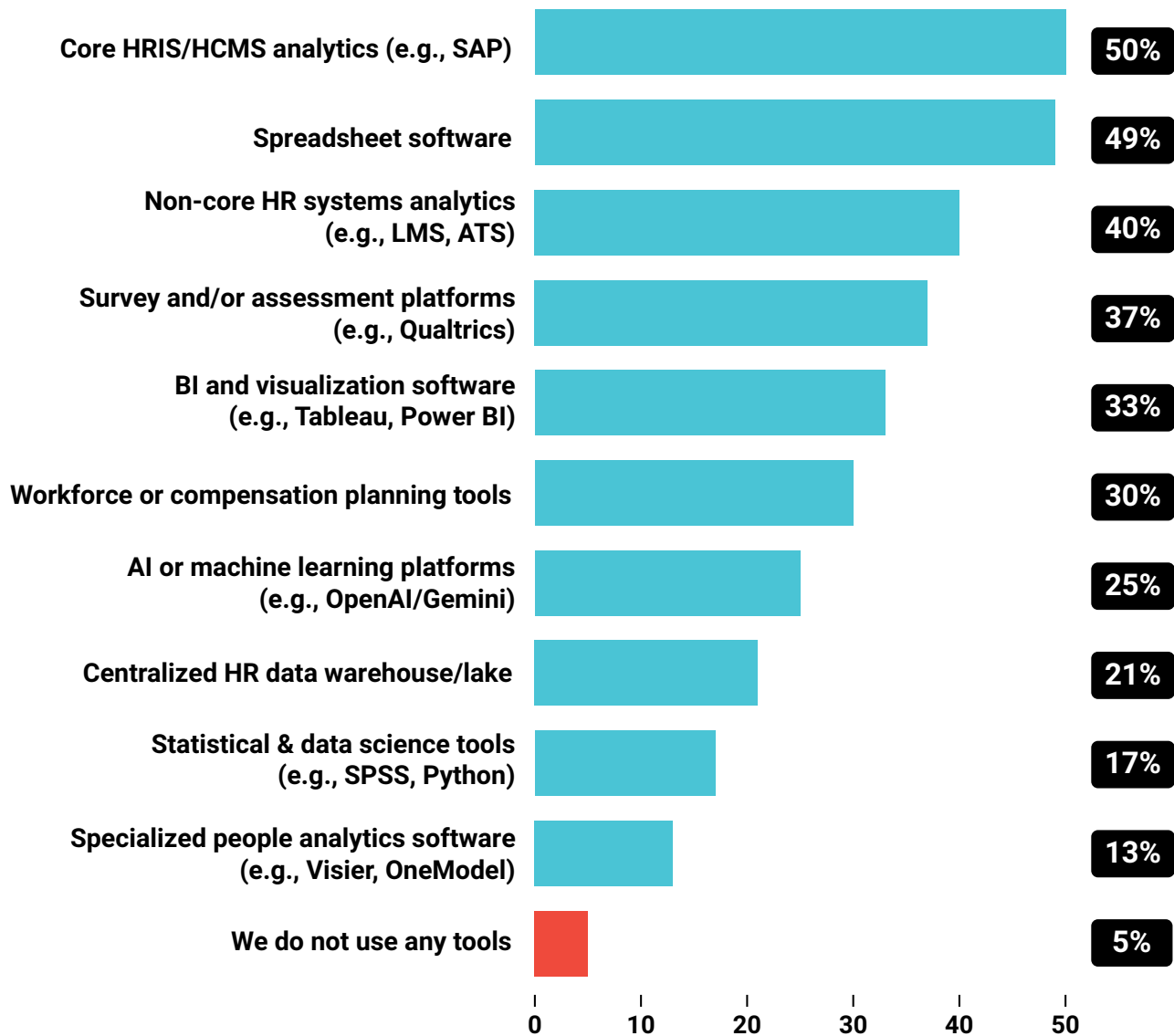
Spreadsheet software and core HRIS/HCMS analytics (cited by half of respondents each) are the most commonly used tools for people analytics, maintaining their top positions from last year. Non-core HR system analytics (40%), survey and assessment platforms (37%) and BI and visualization tools (33%) maintain last year's ranking. Overall, organizations continue to rely heavily on basic tools, with adoption of advanced and specialized solutions growing slowly.

### Differences based on organizational size

Large (26%) and mid-sized organizations (29%) are more likely to have adopted AI or ML platforms for people analytics than small organizations (17%). Most commonly used technology in small and mid-sized organizations are spreadsheet software while large organizations are most likely to use core HRIS/HCMS analytics.



Which people analytics and business intelligence/  
analytics solutions does your organization currently use?  
(select all that apply)



AI and machine learning  
platforms are used by  
only 25% of organizations



## Finding: PA leaders are almost four times more likely than laggards to use specialized people analytics software

PA leaders are more likely than laggards to rely on core HRIS analytics but also integrate AI/ML platforms (52% vs. 18%) and survey/assessment tools (52% vs. 27%). Their use of specialized people analytics software (30% vs. 8%) further reflects a forward-looking approach.

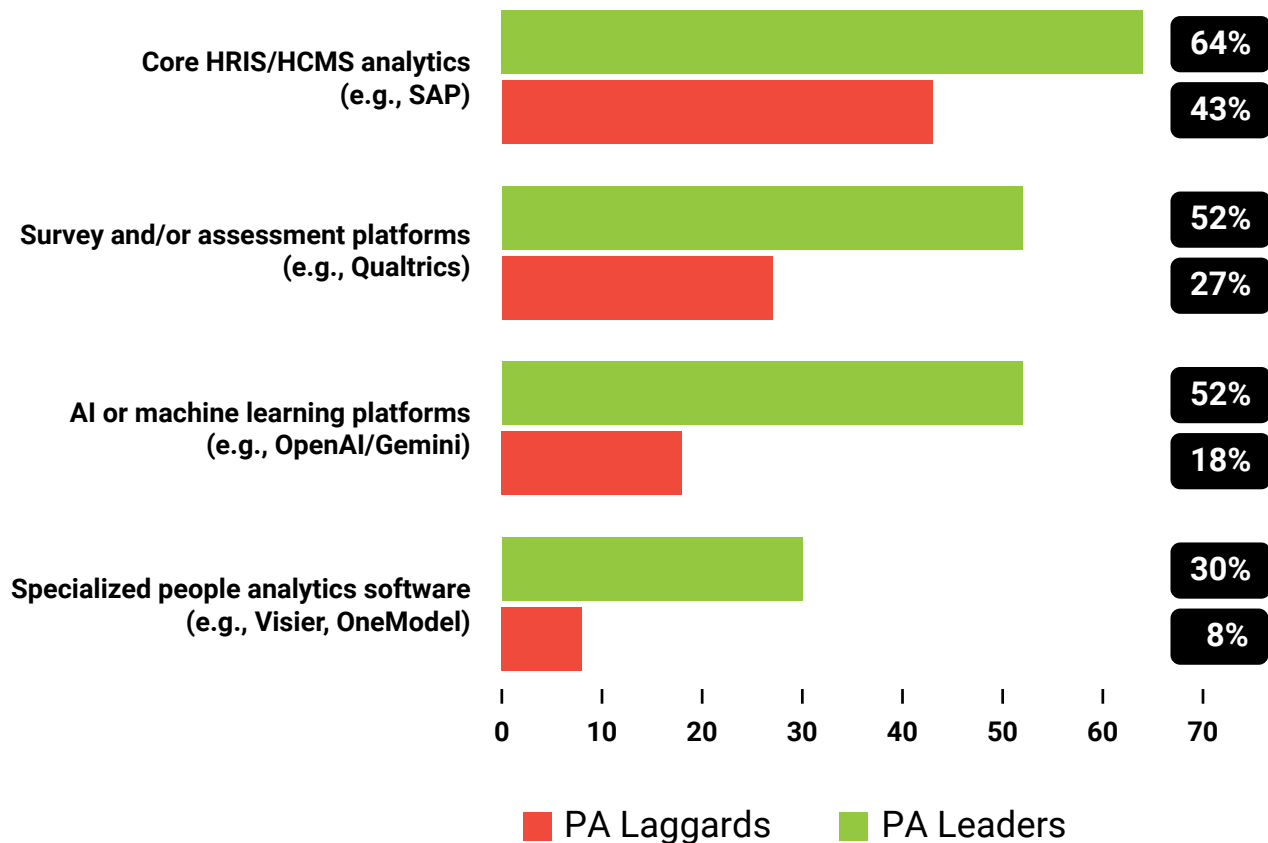
This breadth of tools indicates that leaders move beyond basic reporting and combine multiple data sources to generate predictive and actionable insights, showing a higher level of analytics maturity.

### Results of Chi-square Test

A chi-square test of independence shows that PA leaders are significantly more likely than laggards to use the listed PA and business intelligence/analytics solutions.



Which people analytics and business intelligence/  
analytics solutions does your organization currently use?  
(select all that apply)





## Finding: AI is primarily used for generating narratives and analyzing unstructured text

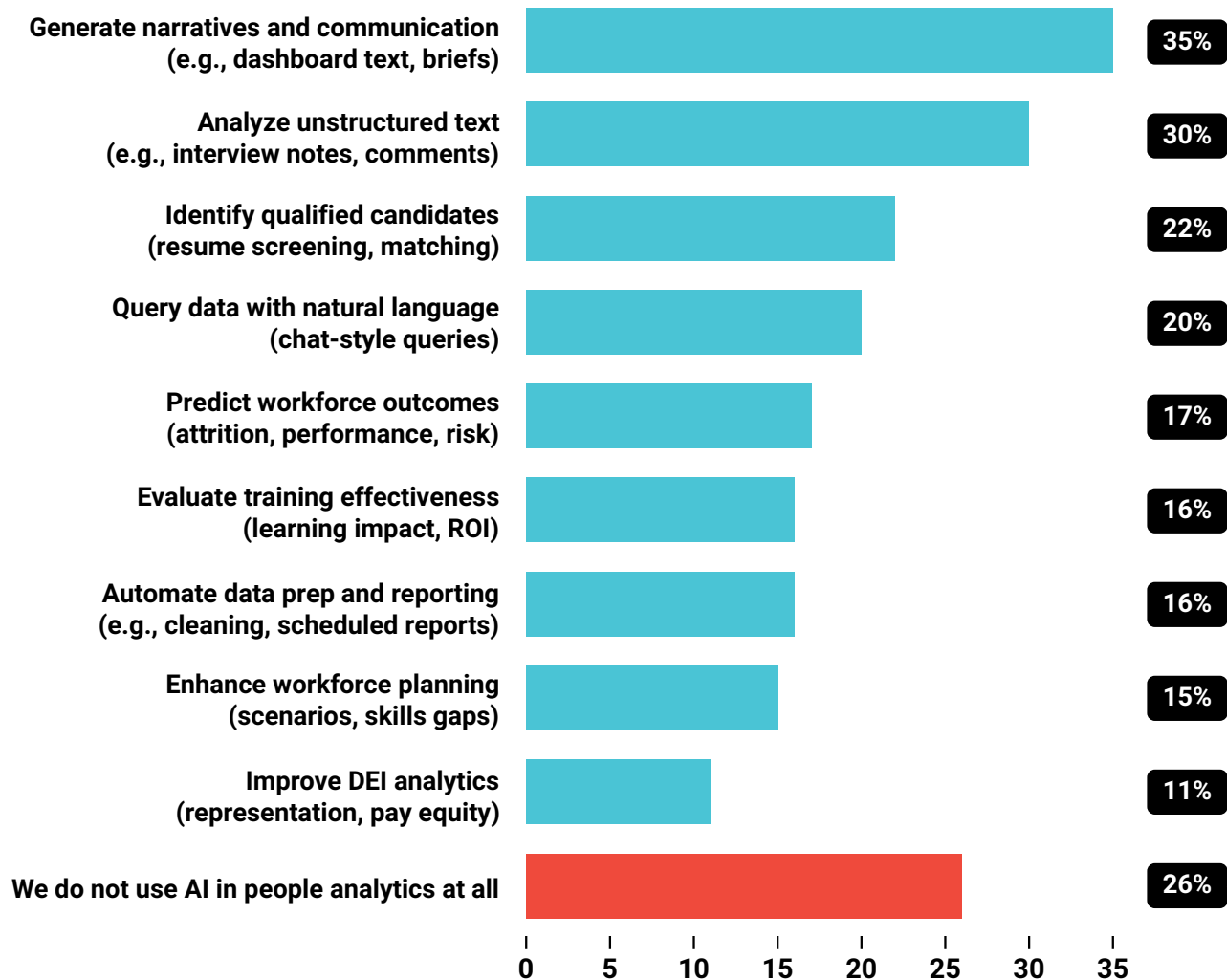
AI is most commonly applied to generate narratives and communication (35%) and to analyze unstructured text such as interview notes or comments (30%). Only 26% of organizations report not using AI at all, a notable drop from 60% last year.

Other applications, such as identifying qualified candidates (22%), querying data with natural language (20%), enhancing workforce planning (15%), automating data preparation and reporting (16%), predicting workforce outcomes (17%), evaluating training effectiveness (16%), and improving DEI analytics (11%), are used by smaller proportions.

These findings indicate that AI adoption is still limited to select use cases, and most organizations are in the early stages of exploring its potential to drive insights and decision-making. Considering that PA leaders increasingly leverage AI and machine learning to support strategic decisions, expanding AI applications could offer significant value.



For which of the following people analytics tasks does your organization use AI? (select all that apply)



About a quarter of organizations do not use AI in people analytics, down from 60% last year

## HRRI Strategic Recommendations

Based on our research, we have the following suggestions:

- Expand tool adoption beyond core HR systems.**  
 Incorporate AI/ML platforms, BI/visualization tools, and specialized people analytics software to move from descriptive reporting to predictive and actionable insights.
- Apply AI strategically to high-value use cases.**  
 Use AI for unstructured text analysis, workforce planning, and DEI analytics to enhance insights that support decision-making and organizational outcomes.
- Integrate multiple data sources through advanced tools.**  
 Combine HRIS, survey, assessment, and external datasets within analytics platforms to improve cross-functional insights and predictive capabilities.
- Train HR teams on advanced analytics tools.**  
 Build proficiency in AI, ML, statistical tools, and visualization software to maximize value from technology investments and support evidence-based HR strategies.
- Gradually phase in advanced analytics alongside existing tools.**  
 Ensure teams can leverage familiar tools like spreadsheets and HRIS while introducing AI and ML platforms incrementally to manage change and adoption effectively.
- Monitor and evaluate AI effectiveness.**  
 Track outcomes from AI applications in recruitment, workforce planning, and engagement analysis to optimize usage and demonstrate ROI.





# Key Takeaways

Below are some key suggestions for how organizations might become more successful in people analytics.

## Key Takeaway 1

### **Clarify ownership and accountability for analytics.**

Few organizations have a designated leader responsible for people analytics, which limits strategic direction and coordination. Establishing a clear ownership structure, such as appointing a Head of People Analytics or creating a cross-functional analytics committee, can help ensure accountability, prioritize investments, and align analytics goals with organizational objectives.

## Key Takeaway 2

### **Bridge the gap between insight and action.**

Many organizations collect data but struggle to convert insights into measurable actions. HR teams should align analytics goals with organizational performance indicators, embed insights into decision-making processes, set defined impact measures, and regularly track progress. This approach ensures that analytics initiatives not only generate insights but also drive tangible workforce and organizational improvements, while strengthening executive buy-in.

## Key Takeaway 3

### **Address limited integration across HR systems.**

Fragmented systems make it difficult to access and analyze comprehensive workforce data. Organizations should focus on integrating HR, finance, and operational systems to create a unified data environment. Strong integration improves the quality, timeliness, and usefulness of analytics for decision-makers.

## Key Takeaway 4

### **Strengthen collaboration between HR and business leaders**

Low collaboration remains a major obstacle to strategic analytics use. Establishing regular forums or analytics councils can promote knowledge sharing and co-ownership of insights between HR, IT, and business leaders. This helps ensure analytics priorities align with broader business goals.

## Key Takeaway 5

### **Expand analytics literacy among HR professionals.**

Limited skills in data interpretation and visualization restrict HR's ability to influence decisions. Continuous upskilling in analytics literacy, storytelling, and evidence-based decision-making can empower HR professionals to use data confidently and persuasively in their roles.

Key Takeaway **6**

**Modernize communication of analytics insights.**

Presentations and email are still the dominant channels for sharing analytics findings, which limits interactivity and real-time engagement. Increasing the use of dashboards and integrated reporting platforms can make insights more dynamic, accessible, and actionable for leaders across the organization.

Key Takeaway **7**

**Enhance data quality and trust.**

Inconsistent or incomplete data continues to erode confidence in analytics outcomes. Implementing clear data governance frameworks, standardized definitions, and quality checks can improve data reliability and encourage wider adoption of analytics-based decision-making.

Key Takeaway **8**

**Broaden analytics focus beyond engagement metrics.**

Many analytics efforts remain confined to traditional areas such as engagement or turnover. Expanding the focus to include DEIB, skills forecasting, and workforce planning can provide deeper insights into future workforce challenges and help HR demonstrate greater strategic value.

Key Takeaway **9**

**Leverage AI and advanced analytics tools responsibly.**

Although AI adoption is rising, many organizations are still in early experimentation stages. Starting with targeted pilot projects, such as predictive attrition modeling or sentiment analysis, can help build confidence and demonstrate the value of AI-driven insights while ensuring transparency and ethical use.





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