The full value of people analytics is unleashed when insights around people are embedded in the organizational culture—when recommendations and solutions are informed by data. Decision-making must be balanced with data and intuition, combining objective, scientific, and evidence-based insights with experience.

Only a few companies—a mere 2 percent, according to Bersin’s High-Impact People Analytics research—have reached the highest level of people analytics (PA) maturity. But those that have are 3 times more likely than organizations with less mature PA capabilities to have a data-driven culture, and they also enjoy significantly higher revenues (96 percent), cash flow (88 percent), and profit margins (82 percent).

A data-driven culture encourages and supports continuous experimentation with new methods, tools, and approaches to studying and influencing workforce behavior. Further, senior leaders in organizations at the highest level of PA maturity frequently communicate the importance of data-driven decision-making and data as a core differentiator, emphasizing the
importance of objective, scientific, and evidence-based approaches to addressing challenges. And, the entire HR function (beyond the PA team) is highly data literate. You can foster a data-driven culture in the following four ways.

1. **Develop HR data skills.**

Organizations that successfully embed data-informed decision-making in their culture rely on the entire HR function to identify critical business issues and leverage the power of people analytics. HR business partners play an important role, as they are close to the business and can develop insights to guide decision-making, shape programs to address specific business needs, and identify the people angle of these business questions. To achieve this, organizations need to expand their PA capabilities beyond a small team of specialists by focusing on upskilling HR staff in the use of people analytics.

**Figure 1:** Level of Proficiency in People Analytics Skills—All of HR versus Dedicated PA Teams*
People analytics upskilling includes the development of basic data literacy and primary research skills as well as statistical modeling and data visualization capabilities throughout the HR organization—all with the aim to offer greater value more frequently across different areas of need and to a higher number of internal customer groups.

**Call to Action**

- Make data skills a core requirement for all HR roles.
- Develop an internal curriculum to help HR practitioners improve their people analytics skills.
- Enable HR practitioners to ask better questions and make better decisions based on data.
- Communicate and promote the value of data in every HR role, not just within the PA team.
- Engage HR business partners in PA work so they can learn by doing in the flow of their work.

2. **Determine what works through experimentation and testing.**

An environment that effectively uses data to drive decision-making is a catalyst for a successful people analytics function. Continuous experimentation with tools and techniques is a critical component of a deeply ingrained data culture. Leaders should support and encourage experimentation with and the use of new analytical tools, models, and techniques—enabling a wider range of insights and services that the PA function can offer to the business.

**Figure 2: Experimentation with Tools and Techniques Leads to Data-Driven Culture**

When experimentation with different approaches to understanding and optimizing workforce behavior is the expectation—not an exception—HR can prioritize both the introduction and rigorous testing of new ideas. This can enable and empower people analytics teams to create a greater variety of insights, better understand the unique needs of their workforce, and determine what works in their specific culture and business environment. Some of the technologies can help the PA team create insights from traditional (structured) and nontraditional (unstructured) data and deliver these insights to drive people and business decisions. This includes artificial intelligence (AI)-aided, cognitive, and robotic process automation tools. While high-performing
organizations use these smart technologies significantly more than their low-performing counterparts, the relatively low use of them overall shows that there is a wealth of opportunities for all organizations.

**Call to Action**

- Empower the people analytics team to investigate how to use advanced analytics, like cognitive tools and AI, to better understand and improve the people side of business.
- Regularly use experimentation techniques such as A/B testing to fine-tune people practices.
- Identify where analytics and data are not fully leveraged to augment people and business outcomes, and encourage the PA team to embed data-driven decision-making in those areas.

### 3. Demonstrate the value of people analytics across the organization.

Too often, people analytics teams spend all of their time creating reports, conducting analyses, and transforming data into insights. One-off wins like providing business leaders with access to people data are not enough. Use of analytics in decision-making should be embedded as a repeatable and consistent practice. Therefore, PA leaders must also devote a good portion of their energies to building awareness across the organization regarding the value-add that PA can bring to day-to-day business decisions so that senior leaders can highlight the value of data-driven decision-making.

**Figure 3: Ways to Socialize People Analytics Findings and Insights to Your Audiences**

<table>
<thead>
<tr>
<th>Audience</th>
<th>Platform</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Workers</td>
<td><strong>Internal Communications Via:</strong></td>
<td><strong>Examples:</strong></td>
</tr>
<tr>
<td></td>
<td>- Newsbriefs</td>
<td>• Case studies on PA wins</td>
</tr>
<tr>
<td></td>
<td>- Enterprise social networks</td>
<td>• Short messages highlighting findings</td>
</tr>
<tr>
<td></td>
<td>- Chatter</td>
<td>- Work-life flexibility biggest predictor of engagement</td>
</tr>
<tr>
<td></td>
<td>- PA internal websites</td>
<td>#pulsesurvey #peopleanalytics</td>
</tr>
<tr>
<td></td>
<td>- PA webinar series</td>
<td>- Regular manager feedback throughout the year strongly related to employee retention</td>
</tr>
<tr>
<td></td>
<td></td>
<td>#leadershipstudy #peopleanalytics</td>
</tr>
<tr>
<td>Targeted Groups</td>
<td><strong>Business- or HR-Specific Events:</strong></td>
<td><strong>In-Person / Virtual Presentations That:</strong></td>
</tr>
<tr>
<td></td>
<td>- Business leaders’ staff meetings</td>
<td>• Show top findings from a recent study</td>
</tr>
<tr>
<td></td>
<td>- Monthly HR business partner (HRBP) call</td>
<td>• Explain relevance to the specific audience</td>
</tr>
<tr>
<td></td>
<td>- Employee resource group (ERG) events</td>
<td>• Illustrate what can be done differently based on a study’s findings</td>
</tr>
<tr>
<td></td>
<td>- HR all-hands</td>
<td>• Distribute a one-page handout with key findings as a takeaway</td>
</tr>
<tr>
<td></td>
<td>- Town halls with business leaders</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Bersin, Deloitte Consulting LLP, 2019.*

Even though people analytics is typically housed within HR, high-performing PA functions know that the real opportunity lies in using people analytics not just to enhance HR practices like talent acquisition or engagement but also to understand and address business challenges that often are not immediately related to people issues. These teams seek to make changes at the grassroots level by socializing and leveraging PA in driving everyday business outcomes. Accordingly, they identify the people angle in high-priority business issues, ranging from examining shortfalls in sales performance and variation in customer satisfaction to informing location strategies and identifying skills gaps to providing leaders with people-related insights to inform these questions.
4 Approaches for Building a Data-Driven Culture

Call to Action

- Create a people analytics vision and strategy that includes promotion and socialization of PA within the organization.
- Expand the domains or areas in which PA teams can embed people data to drive decisions and outcomes.
- Socialize PA impact to both targeted audiences and the entire organization via multiple channels.
- Enlist senior leaders—especially the CEO and CHRO—to communicate the value of data-driven decision-making.

4. Decide based on a balance between data and experience.

To successfully embed data-driven decision-making in the organizational culture, it's essential to create alignment between day-to-day people and business issues and people analytics solutions. That is, the PA function also needs to partner with business leaders, frontline managers, and external stakeholders (such as the board of directors), rather than focus on only HR.

Yet, organizations also need to balance data and analytics with experience, insights, and intuition. The most mature organizations strike that balance in an effective human / machine collaboration, supporting people with the facts without altogether removing people's decision-making. These organizations find the fine balance between data and human insights.

HR can supercharge these partnerships by marrying people analytics data with financials and other operational data (like customer satisfaction and sales) on managers' dashboards—rather than creating new dashboards solely focused on people data. Once people data is added to these operational dashboards, managers won't need to contact HR for every custom report, and HR won't need to push out data to them. Leaders can quickly, easily, and accurately get answers to their questions with little or no training required. Adding recommendations to these dashboards about how to act on the insights can further increase the impact of people analytics, making it easy for leaders to do the right thing.

Call to Action

- Identify and apply people analytics to problems that are relevant to the business.
- Find ways to embed PA in business decisions.
- Direct PA teams to consistently seek out opportunities to provide business stakeholders with data and insights.
- Provide resources and learning to leaders on how to balance data with experience.

Bersin Recommended Reading

- Seven Top Findings for Driving High-Impact People Analytics
- The People Analytics Maturity Model
- Advancing through the People Analytics Maturity Model
- Socializing People Analytics in Your Organization
- People Analytics: Scaling Capabilities

* Figure 4: People Analytics Driving Decision-Making—High- versus Low-Performing Organizations*

* Organizations reporting “frequent” or “very frequent” integration.

4 Approaches for Building a Data-Driven Culture

Endnotes

4. “A/B testing,” also known as “bucket testing” or “split-run testing,” is a type of controlled experiment usually used to compare two versions of a single variable. For more information, please see “A Refresher on A/B Testing” in the Harvard Business Review.

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