People Analytics Across Company Growth Stages:

Evolving Your Approach as You Scale

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Message from the Authors

In an era where people are at the heart of organizational success, making data-driven talent decisions is no longer optional—it's a strategic imperative. As organizations scale, connecting workforce insights to business outcomes becomes a critical advantage, yet many delay investing in foundational people analytics until complexity slows them down.

This white paper introduces a practical framework—Governance, Infrastructure, Methods, and Products—to help organizations build and scale their people analytics capabilities as they grow. By transforming workforce data into actionable insights, leaders can drive measurable impact, unlock the full potential of their people, and create sustainable success.

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Executive Summary

In today's knowledge economy, an organization's success fundamentally depends on its people. While this truth is widely acknowledged, most organizations struggle to make consistently good decisions about their most important asset. The challenge is rarely a lack of data – companies typically have a rich ecosystem of information about their workforce. Rather, it's the absence of systematic approaches to capturing and transforming this data into actionable insights that drive better decisions. A 2023 Insight222's People Analytics Trends research report shows that while People Analytics teams have grown by over 40% from 2020 through 2023, less than 20% consistently deliver insights that lead to measurable impact. This reflects a missed opportunity.

This disconnect becomes particularly stark when we consider that people typically represent 60-70% of operating expenses, yet many organizations invest far more heavily in financial, customer, and operational analytics than in understanding their workforce. The cost of this oversight compounds as organizations grow. Just as technical debt accumulates when companies grow and prioritize short-term solutions, people-related "data debt" accrues when organizations grow but fail to implement durable capabilities to turn their data ecosystems into a strategic asset and competitive differentiator.

The implications of inadequate people data practices ripple throughout the organization. Early-stage companies struggle to land key hires, form effective teams, and make critical leadership decisions with limited data. Growth-stage organizations find themselves unable to scale their culture principles, organizational structures, and talent practices effectively or create informed talent strategies as business priorities change. Larger enterprises discover they can't drive consistent people investments

"People typically represent 60-70% of operating expenses, yet many organizations invest far more heavily in financial, customer, and operational analytics."

or optimize the ones they do have despite having years of data at their disposal. Throughout, organizations struggle to link their biggest investment – people – to business outcomes in a way that allows them to make strategic decisions as they would about any other strategic investment. How can organizations develop people analytics capabilities that grow with their business? Drawing from our careers working with organizations to unlock people data for business growth, we offer a framework called the Four Pillars of People Analytics (Governance, Infrastructure, Methods, and Products) to highlight relevant capabilities at every stage of an organization's growth. We explore how organizations can build specific capabilities that enable better talent decisions from day one, as well as evolve their capabilities as they scale. Early investment in people analytics capabilities creates compounding ROI, while delay creates increasing friction in scaling operations and optimizing talent investments.

The ability to action on data and insights hinges on the quality of the measurement strategy in place (measuring the right things at the right time from the right sources) and data storytelling capabilities.

Introduction: The Cost of Poor People Decisions

Consider a typical growth trajectory: A startup founder makes their first hire based largely on intuition and immediate needs. As the company proves its concept and secures funding, the team grows rapidly – each hire shaping both capability and culture. Soon the organization needs its first managers, creating new challenges around development and performance. Before long, questions of organizational design, leadership pipelines, and workforce optimization demand attention.

At each stage, the quality of talent decisions directly impacts business outcomes. While financial and customer data are prioritized early, people analytics often lags, creating reactive, short-term approaches when crises emerge.

This creates a dangerous and reactive blind spot – by the time organizations

recognize the need for better people insights, they've often accumulated years of unstructured low quality or siloed data and inconsistent practices across their HR service delivery model that are costly and time-intensive to diagnose and remediate.The impact manifests in multiple ways. Early-stage companies make critical hiring decisions without understanding what drives success in key roles. Growth companies struggle to maintain culture and performance during rapid scaling. Larger organizations find themselves unable to optimize their workforce despite significant investments in HR technology and programs.

This challenge becomes more acute as talent markets grow increasingly competitive and workforce dynamics more complex, such as the need to manage remote and hybrid work. Organizations cannot rely on intuition, experience, and anecdotes to make good people decisions. They need systematic approaches to building their data ecosystems.

"Ultimately, this means unleashing the power of people for business impact."

Taking a systematic approach to data will unlock the abiity to make human capital decisions that will drive performance, engagement, and retention in their unique context. Ultimately, this means unleashing the power of people for business impact.

The Evolution of People Decisions

As organizations grow, their talent needs evolve dramatically. Understanding this evolution is crucial for building analytics capabilities that create real value rather than just generating reports. Let's examine how people decisions and their corresponding analytics needs change across different stages of growth.

Early Days: When Every Hire Changes Everything

In early-stage organizations, every person shapes not just capability but culture. A company of 20 people hiring their next employee isn't just filling a role – they're altering 5% of their organizational DNA. At this stage, poor talent decisions can doom a promising venture before it gains momentum. Many early-stage leaders

often believe they're too small for formal people analytics, assuming their small size negates its value. The common refrain is "we know our people" or "we'll add that when we're bigger." This mindset is a short sighted mistake and creates missed opportunities to set the organization up for long term success. While sophisticated analytics might indeed be premature, establishing basic data practices early creates compound benefits as organizations grow.

Consider the fundamental decisions early-stage companies face: Who should we hire next? How should we compensate them? How do we maintain our culture as we grow? These decisions don't require complex analytics, but they do benefit immensely from systematic approaches to gathering and using data. For example, documenting why candidates succeed or fail in interviews creates invaluable invaluable insights for future hiring. Tracking the skills and experiences that drive success in early roles helps build effective hiring templates. Tracking engagement through regular 1:1s and, in some cases, even measuring engagement through simple pulse surveys can spot culture issues before they become critical problems.

"This mindset is a short sighted mistake and creates missed opportunities to set the organization up for long term success."

Early-Stage Startups: Building the Foundation

Early-stage startups face existential pressure to validate their business model and secure initial market traction. Every hire is critical, and poor talent decisions can doom the company before it gains momentum.

Key business priorities include:

1. Achieving product-market fit
2. Building a high-performing core team
3. Establishing company culture
4. Gaining initial customers
5. Securing funding

These priorities create specific talent challenges that people analytics must address:

- How to identify and attract key talent with limited resources and little or no brand recognition
- Which skills and experiences are truly critical for early hires
- How to maintain culture during initial growth
- Whether compensation packages are competitive enough
- How to make the most of limited HR resources

While the questions may seem simple, establishing good data practices early prevents costly challenges later. For instance, capturing structured data from interviews and tracking the factors that led to passing or failing interviews creates organizational intelligence that can be leveraged toward more effective future hiring. Similarly, documenting the competencies and experiences that drive success in early roles helps identify critical skills that can be infused in hiring templates as the organization scales.

Growing Pains: When Scale Changes Everything

As organizations enter rapid growth, the dynamics of people decisions shift dramatically. A company that took two years to hire its first 50 employees might need to add that many in a single quarter. Often, the practices that worked with a small, co-located team break down across multiple offices and departments.

At this stage, the cost of poor talent decisions escalates significantly. A bad executive hire can derail growth plans. Ineffective management development creates cascading performance issues across rapidly expanding teams. Culture misalignment in new offices can create lasting organizational rifts.

To prevent this, the organization's analytic needs must evolve accordingly. Organizations need to leverage their data infrastructure to unify data in order to predict attrition risks among key talent, understand what makes their best managers effective, and track culture metrics across growing teams. They need to identify effective recruitment channels and predict which candidates are most likely to succeed and stay.

Companies that established good data practices early find themselves at a significant advantage. They can begin conducting meaningful analyses, while those that delayed building proper foundations struggle to answer even basic questions about their workforce.

Growth-Stage: Managing Rapid Scale

When companies enter rapid growth, their success hinges on the ability to build out infrastructure and scale operations while maintaining quality and culture. At this stage, even small improvements in talent decisions compound dramatically due to rapid headcount growth.

Key business priorities include:

- Scaling operations rapidly
- Expanding market share
- Developing robust product lineup
- Establishing repeatable sales processes
- Building organizational infrastructure

These priorities create complex talent challenges that require more sophisticated analytics capabilities such as:

- Scaling recruitment while maintaining quality
- Predicting and preventing unwanted attrition
- Developing effective managers at scale
- Identifying and addressing emerging skills gaps
- Maintaining culture during rapid growth

The cost of poor talent decisions escalates significantly during this phase. A bad executive hire can derail growth plans, while ineffective management development can create cascading performance issues across rapidly expanding teams.

People analytics becomes crucial for:

- Identifying effective recruitment channels and predictors of success
- Spotting flight risks among key talent
- Understanding drivers of manager effectiveness

- Tracking culture and engagement during scale
- Optimizing workforce costs during growth

Mid-Size: When Complexity Demands Insight

As organizations reach mid-size, their focus shifts to optimizing operations and expanding into new markets. Success now depends on building systematic approaches to talent management while maintaining the agility to pursue new opportunities.

The talent questions become more sophisticated: How should we structure our organization to support our strategy? How effective are our leadership development programs? Where do we have opportunities to improve workforce productivity? Which talent segments drive the most business impact?

At this stage, organizations typically have enough data to generate powerful insights but often lack the governance and infrastructure to do so efficiently and also lack the analytical talent to do so methodologically, repeatably, and effectively. Global expansion introduces new regulatory requirements and data privacy considerations. The increasing complexity of the workforce demands more sophisticated analysis approaches.

Mid-Sized Companies: Optimizing Operations

As organizations reach mid-size, their focus shifts to optimizing operations and expanding into new markets. Success now depends on building systematic approaches to talent management while maintaining the agility to pursue new opportunities.

Business priorities include:

- Optimizing operational efficiency
- Expanding into new markets
- Building strong employer brand
- Establishing robust leadership pipeline
- Improving productivity and innovation

These priorities require sophisticated talent insights, including:

- Understanding key drivers of employee productivity
- Optimizing organizational structure
- Building effective leadership development programs
- Managing growing HR program costs
- Improving quality of hire across multiple locations

At this stage, organizations have enough data to generate powerful insights but often lack the governance, infrastructure, and analytical talent and methods to do so effectively.

The ability to connect workforce decisions to business outcomes becomes critical for:

- Identifying high-impact talent segments
- Optimizing total rewards strategies
- Improving leadership development ROI
- Enhancing organizational effectiveness
- Managing workforce costs strategically

Enterprise Scale: When Everything Connects

Large enterprises have the most complex data ecosystems and face perhaps the most complex people analytics challenges. They must balance maintaining market leadership with driving continued innovation across a complex global organization. Their success depends on effectively managing a diverse, distributed workforce while optimizing costs and improving organizational agility.

The questions they face reflect this complexity: How can we predict and address skills gaps across our global workforce? What factors most influence employee experience and how does it impact business outcomes? How can we optimize our total rewards strategy across different employee segments and geographies?

At this scale, organizations need to utilize capabilities across the four pillars of people analytics- governance, infrastructure, methods, and products - to drive value from their people data. The most successful organizations have built strong

foundations that create compounding ROI over time. This is because their understanding and command of their full HR data ecosystem allows them to leverage advanced techniques like machine learning and artificial intelligence to augment decision-making and improve specific talent and business outcomes.

Enterprises: Driving Innovation at Scale

Large enterprises must balance maintaining market leadership with driving continued innovation across a complex global organization. Their success depends on effectively managing a diverse, distributed workforce while optimizing costs and improving organizational agility.

Business priorities include:

- Driving innovation to maintain market leadership
- Managing global, diverse workforce effectively
- Optimizing workforce costs
- Responding quickly to market changes
- Maintaining competitive advantage

These priorities create sophisticated talent challenges:

- Predicting and addressing skills gaps globally
- Optimizing workforce deployment across regions
- Enhancing employee experience at scale
- Driving innovation through collaboration
- Managing complex total rewards programs

Advanced people analytics capabilities become essential for:

- Identifying future capability needs
- Optimizing global talent deployment
- Understanding drivers of innovation
- Managing workforce costs strategically
- Improving organizational agility

	Early-stage	*Growth-stage*	*Mid-sized company*	*Large enterprise*
Key Business Goals	• Achieve product-market fit • Secure initial funding • Build core team and establish company culture • Gain first customers	• Scale operations rapidly • Expand market share • Develop robust product lineup • Establish repeatable sales process	• Optimize operational efficiency • Expand into new markets or product lines • Build strong employer brand • Establish robust leadership pipeline	• Drive innovation to maintain market leadership • Manage global, diverse workforce effectively • Optimize workforce costs • Respond quickly to market changes
Number of Employees	1-50	51-500	501-5,000	5,001+
Priority People Questions	• How can we attract and retain top talent with limited resources? • What skills and experiences are critical for our early hires? • How do we maintain our culture as we grow? • Are our compensation packages competitive enough to attract key talent?	• How can we scale our recruitment efforts to meet rapid growth needs? • Which employees are at highest risk of leaving, and why? • How effective are our managers at leading growing teams? • What skills gaps do we need to address to support our product roadmap? • How does employee performance correlate with business outcomes?	• What are the key drivers of employee engagement and productivity? • How can we improve our quality of hire and reduce bad hires • Which talent segments have the biggest impact on business performance? • How effective are our leadership development programs? • What organizational structure best supports our business strategy?	• How can we predict and proactively address skills gaps across our global workforce? • What factors most influence employee experience and how does it impact business outcomes? • How can we optimize our total rewards strategy across different employee segments and geographies? • Which interventions most effectively improve diversity, equity, and inclusion outcomes? • How can we measure and improve organizational agility?

Example People Data and Insights Needed to Answer Priority Questions	• Basic talent insights (headcount, turnover)
	• Basic recruiting and market pay assessments
	• Basic operational reports(e.g., HRIS, Payroll, Benefits, Compliance)
		• Talent forecasting (time to fill)
		• Predictive insights for hiring success
		• Talent performance and engagement insights
		• Talent pipeline insights
		• Basic employee listening
			• Predictive analytics for attrition, performance, leadership, teams
			• Learning and development program effectiveness data
			• Succession planning data
			• Organizational design data
				• Comprehensive, deep people data such as:
				  ◦ Skills
				  ◦ Talent profiles
				  ◦ Employee lifecycle
				
				designed for real-time analytics, agile decision making, and strategic workforce planning

How to ensure evidence-based decision making about human capital as you scale?

Building Capabilities That Scale

Understanding how talent needs evolve provides the context for building appropriate analytics capabilities. However, the journey from basic data collection to sophisticated analytics is not linear. Each stage presents unique challenges and opportunities that require carefully considering what capabilities to build internally, what to purchase, and what to access through partnerships.

Building Capabilities That Matter

The journey to effective people analytics isn't necessarily about technology or sophisticated algorithms. At its core, it's about enabling better decisions about people – decisions that become increasingly consequential as organizations grow. Let's explore how to build these capabilities in a way that creates immediate value while establishing foundations for growth.

Governance: Balancing Access and Trust in People Data

The first pillar of People Analytics is Governance. We define governance as “A portfolio of programmatic mechanisms and tools to define, acquire, and ethically manage access to data, intentionally designed on principles that safeguard employee trust, manage risk, and promote data decision-making velocity.”

There are seven Governance capabilities:

Strategy / Management:
A strategic plan that outlines how an organization will use data related to its workforce to achieve its business goals. It involves setting clear objectives, defining data sources, establishing governance and privacy measures, and implementing technology solutions to collect, analyze, and leverage HR data effectively.

Generation / Acquisition:
Systematic capture of information from HR programs and processes, often requiring the use of data entry (can range from manual forms to a software UI), automated data feeds, or integrations between different HR software applications.

Definitions:
Precise descriptions of HR-related data elements and calculations of metrics within an organization, establishing a common understanding for reporting and benchmarking purposes.

There are seven Governance Capabilities:

1. Strategy / Management
2. Generation / Acquisition
3. Definitions
4. Quality
5. Catalogue
6. Ethics
7. Compliance

Quality:
The degree to which data meets specific criteria, including accuracy (free from errors), completeness (having all necessary fields filled), reliability (consistent and dependable), consistency (uniform and following standards), and relevance (useful for the task at hand).

Catalogue:
Searchable, organized, and user-friendly database of data sources, datasets, tables, files, and metadata (e.g., lineage, ownership, location, and usage) available within an HR organization.

Ethics:
Guiding principles that ensure the responsible, transparent, and fair use of employee and workplace data, to protect employee privacy, maintain data integrity, and promote trust.

Compliance:
Refers to the adherence to data privacy laws, market-specific regulations, and organizational policies governing the acceptable use of employee data, to ensure that data collection, processing, storage, and analysis activities meet legal

standards and ethical guidelines, protect employee rights, and maintain organizational accountability.

Many organizations stumble in their analytics journey not because they lack data, but because their data ecosystem is not properly governed. Different departments define metrics differently, historical data is inconsistent or incomplete, and trust in the data is ultimately eroded. The generation and acquisition of HR process data can be inconsistent, which lowers data quality. Data is not referencable in a published catalogue, leading to reduced transparency and confusion on data fields that should be used for certain types of reports or avoided for certain types of analyses. Reports show conflicting numbers for seemingly simple questions like headcount or turnover. An overall data strategy is lacking or incomplete to enable reporting and analytics.

Strong governance prevents these issues, but it doesn't need to be complex - especially early on. For a startup, it might mean simply establishing consistent ways to track hiring outcomes and document performance conversations. For a growth-stage company, it means creating clear protocols for data access and quality monitoring. The key is starting with basic practices that can scale.

"The key is starting with basic practices that can scale."

Consider how a rapidly growing technology company approached this challenge. The problem they faced was common: limited resources to invest but a recognition that not investing in data structure could create downstream regrettable impacts. Rather than attempting to implement comprehensive governance immediately, which would be too costly and intensive for their company's maturity stage, they focused on the factors that would lay the foundation for valuable people data as they grew. This involved standardizing definitions and data collection for their most critical talent processes - hiring, performance reviews, and departures. This foundation allowed them to make consistent comparisons across teams and locations as they scaled, while gradually expanding their governance framework to cover more sophisticated needs.

Infrastructure: Building Systems That Scale

The second pillar of People Analytics is Infrastructure. We define Infrastructure as “Scalable tools and database technologies used to encode, organize, and secure workforce data in various formats from multiple sources, while ensuring system performance and democratized data that is curated for analytics”.

There are seven Infrastructure capabilities:

Storage:
Technology infrastructure (physical on-prem, cloud-based, etc) used to securely store and manage data for future use.

Compute:
Approach to manipulate and process data, encompassing activities like data aggregation, transformation, and calculations.

Pipelines:
Automated systems and routines to extract and connect data from various sources to a destination (such as a warehouse), reducing manual data handling and the potential for human errors.

Seven Infrastructure capabilities:

1. Storage
2. Compute
3. Pipelines
4. Performance
5. Security
6. Permissions
7. Curation

Performance:
Measures of effectiveness for data-related processes that include latency, data processing speed, system uptime, resource efficiency, and the system's ability to handle increasing data volumes and computational demands from end-users.

Security:
Technology protocols and human mechanisms implemented to protect data from unauthorized access, breaches, and misuse, to ensure data confidentiality, privacy, and integrity.

Permissions:
Rules that define the data access controls and restrictions based on users' roles/responsibilities and verified business needs to interact with sensitive HR information.

Curation:
Systematic management of data to enhance its quality, relevance, and usability for reporting, analytics, and other data-driven activities and use cases.

The technical infrastructure supporting people analytics should evolve to handle increasing complexity while enabling rapid insight generation. Many organizations make the mistake of waiting too long to establish proper infrastructure foundations. The key is operationalizing a data strategy with future integrations and analytics in mind. As organizations grow, they need to support a variety of increasingly sophisticated use cases involving database technologies for data storage, pipeline management for data performance, and computation environments for data transformations and automated calculations. The overall performance of data infrastructure can make or break the speed at which analytics are delivered, while data security and permissions determine who is allowed or not allowed to consume your analytics.

But over-investing in complex infrastructure too early can also be a trap. For example, early-stage companies often do well starting with well-structured spreadsheets and local databases, before transitioning to a basic HRIS. The transition from spreadsheets to production systems becomes a critical moment, requiring thoughtful decisions about data architecture, systems integration, and reporting and analytics.

A healthcare startup can provide an instructive example. In this case, they began with simple spreadsheets but had the foresight to document their data structures and definitions clearly. For most companies of their size, by the time they realize they need an HRIS, the lack of pre-existing infrastructure for their people data to that point make the transition process lengthy, time intensive, and ultimately very expensive. However, for this organization, when they implemented their first HRIS

they started getting an ROI immediately. That was because they could immediately begin analyzing historical trends due to the fact that their early data was structured consistently.

Methods: Generating Insights That Drive Action

The third pillar of People Analytics is Methods. We define methods as "Scientific methods – such as data exploration, statistical testing, qualitative research, and quantitative data modeling – used for the discovery of new and valuable information (i.e., insights), in response to a business question or hypothesis."

Methods includes eight core capabilities:

Ad Hoc Queries:
Requests or questions made to databases or datasets to extract, manipulate, or analyze specific information (e.g., SQL for relational databases, NoSQL query languages for non-relational databases).

Exploratory Data Analysis (EDA) / Trending:
Visually and statistically exploring datasets to uncover patterns, trends, relationships, and anomalies. Methods include descriptive statistics (mean, median, etc.), data visualization (scatter plots, histograms), correlation analysis, and techniques like trending analysis and pattern matching.

Forecasting / Time Series:
Data models used to make predictions about future data points based on historical time-ordered data. Methods and tools for time series forecasting include statistical models (like ARIMA and Exponential Smoothing), incorporation of external variables, anomaly detection (AD) to identify statistically unusual data points, and forecast evaluation metrics.

Eight core capabilities:

1. Ad Hoc Queries
2. EDA / Trending
3. Forecasting / Time Series
4. Significance Testing
5. Primary Research
6. Statistical Models
7. Machine Learning
8. AI / Gen AI

Significance Testing:
Used to determine whether observed differences or relationships in data are statistically significant or could have occurred by random chance. Common methods include hypothesis testing (e.g., t-test, chi-square test, ANOVA), with the p-value serving as a key metric.

Primary Research:
Refers to the process of gathering original data directly from individuals, sources, or subjects for a specific research purpose. It involves collecting firsthand information and can include methods such as statistically sampled surveys, structured interviews, and focus groups.

Statistical Models:
Mathematical data frameworks used to analyze relationships between variables and predict outcomes based on employee and workplace data. Common models include linear regression for predicting continuous outcomes, logistic regression for binary outcomes, and Organizational Network Analysis (ONA) to examine the relationships and interactions within an organization to uncover informal networks and influence structures.

Machine Learning:
Refers to a set of advanced algorithms and computational techniques that enable systems to learn from and make predictions or decisions based on data. Common methods include XGBoost and Neural Nets for complex classification or predictive inference and Natural Language Processing (NLP) for analyzing unstructured text data.

AI / Gen AI:
Refers to creating systems and algorithms that can replicate human-like intelligence for various applications. Traditional AI typically refers to automating repetitive tasks in business processes using techniques such as Robotic Process Automation (RPA). Generative AI includes the use of Large Language Models (LLM) for generating human-like text and assisting in various language-related tasks.

The analytical methods organizations employ should evolve to answer increasingly complex business questions with appropriate sophistication. The goal isn't to use the most advanced techniques available, but to match the right analytical methods to business needs.

Early-stage companies often start with basic ad hoc queries, exploratory data analysis, trending, and qualitative insights, supplemented by external benchmarking to compensate for limited internal data. This approach, while simple, can provide valuable insights if focused on critical business decisions. As organizations grow, they can begin employing more sophisticated methods like significance testing, primary research, development of predictive statistical models, deployment of machine learning into the production infrastructure environment, and implementation of AI and Generative AI prototyped solutions.

We can learn from a retail company's approach to retention analytics that effectively illustrates this evolution. This organization had been tracking departure reasons through structured exit interviews and had a sizable dataset built across time. As they grew, they decided to adopt the practice of conducting engagement surveys. When they implemented the engagement survey practice, they were able to consider both sets of people data: 1) how people were doing today in the organization with engagement and culture and 2) what kinds of patterns they were seeing in their exit interview data. The value of being able to connect experience to turnover unlocks the ability to take efficient, targeted action to address a core business objective of reducing operational costs by reducing regrettable turnover. For this company, by the time they reached mid-size, they had enough historical data to build predictive models identifying flight risks among key talent. Each stage built on the foundation created by earlier efforts.

Products: Delivering Insights People Actually Use

The fourth pillar of People Analytics is Products. We define products as “Intuitive analytic solutions that end-users consume and are personalized to inform - not replace - human decisions, ranging from simple reports, to data inspection mechanisms, to predictions embedded into daily transactional workflows in software applications”.

There are nine core product capabilities:

Nine core product capabilities:

1. Datasets
2. Metrics / KPIs
3. Reporting / Visualizations
4. Dashboards
5. Surveys
6. Advisory Services
7. Predictions
8. Nudges / Recommendations
9. A|B Experimentation

Datasets:
The 'official' or 'golden source' copies of consistent, centrally-approved, authoritative data typically used for C-level or Board reporting. Consumed through self-service central datamarts and platforms or via a request intake mechanism and SLAs may that define response times for timely delivery of the requested information.

Metrics / KPIs
Data measures used to assess the performance and effectiveness of various aspects of an HR organization. KPIs are specific quantitative measures metrics directly tied to organizational goals , while metrics are broader data points used to track various aspects of operations and outcomes.

Reporting / Visualizations:
Presentation of organized data and information in a structured format to provide insights, using graphical elements like charts and graphs to represent HR data visually, making complex information more accessible and understandable.

Dashboards:
User-interactive visual tools providing self-service data exploration, often through automated data feeds ensuring access to clean and up-to-date information. Common dashboarding platforms in HR include Excel, PowerBI, Tableau, QuickSight as well as People Analytics platforms such as OneModel and Visier.

Surveys:
Involves collecting data from a specific group of individuals, often referred to as a sample, to gain insights into their preferences, thoughts, or behaviors.

Advisory Services:
Refers to expert guidance provided by Analytics practitioners who serve as points-of-contact to assist HR Line teams and COE leaders in identifying and prioritizing analytical initiatives aimed at operationalizing people strategies to achieve specific business outcomes.

Predictions:
Refer to using data analysis and statistical techniques to forecast future events or outcomes based on historical data and patterns.

Nudges / Recommendations:
Refer to utilizing data analysis and algorithms to provide personalized suggestions or nudges to individuals (either through software-enabled alerts or via out-of-product notifications such as email) based on their past behavior, preferences, or data patterns.

A|B Experimentation:
Refer to a scalable service for testing and comparing two or more variations of a process, system, or intervention to determine which one performs better.

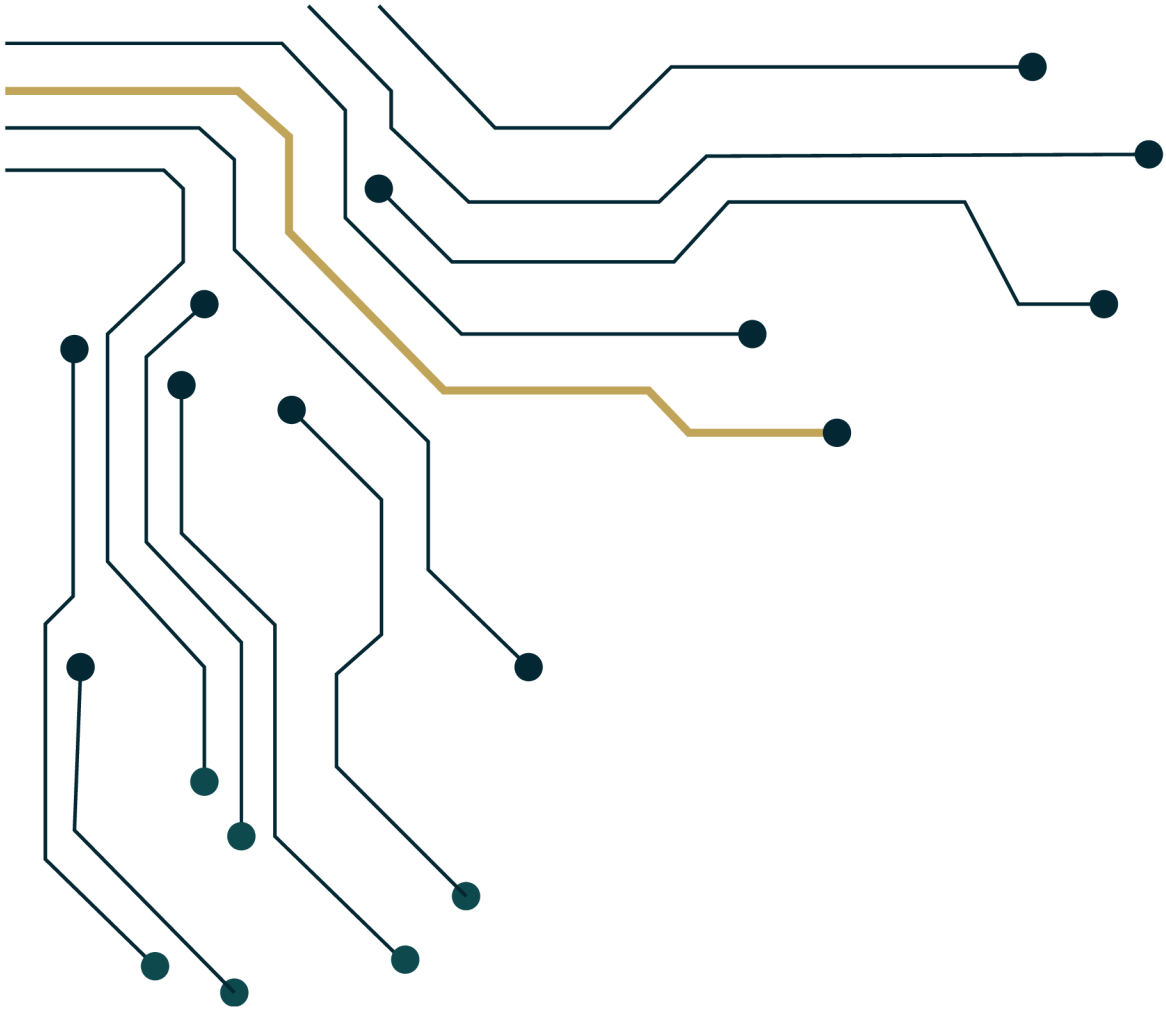
Analytics products are a cornerstone for people analytics across all maturity stages. But, the most sophisticated analytics or analytics products create no value if decision-makers can't understand or act on the insights they provide. Analytics products must serve diverse stakeholder needs while driving action.

At each stage of growth, some stakeholder needs remain constant while other needs evolve. Companies should look to their analytics products to provide a variety of capabilities as they grow. For early stage companies, this journey typically begins with the inspection of basic datasets and metric reviews, and progresses to the development of simple reports and self-service dashboards. At this stage, the ability to use relatively simple data products to make critical talent decisions is sufficient.

As organizations scale, their analytics products need to support more complex decisions while remaining accessible to various stakeholders. This evolution requires careful attention to user experience and adoption.

The goal is to make data-driven decisions easy, not an additional burden. For example a company might start with simple monthly workforce reports covering basic metrics. As leaders begin relying on these insights, the company can gradually add more sophisticated analyses - first adding trend analysis, then predictive anomaly-detection of visual alert indicators, and eventually real-time analytics that includes nudging, incorporates end-user survey feedback, and delivers action recommendations. At this point, HR line leaders might engage advisory services for their people analytics to formulate action plans and act on analytic insights. Depending on changes that are introduced, an A|B experimental design might be utilized in order to understand the correlated or causal impact on business outcomes. Each addition of product capability should work backwards from actual user needs, rather than the desire to chase more and more technical capabilities.

"The goal is to make data-driven decisions easy, not an additional burden."



	Early-stage	Growth-stage	Mid-sized company	Large enterprise
Governance	• Establish basic data standards and ownership • Create simple, consistent tracking methods • Document key metric definitions • Build data-driven culture early	• Implement formal data governance processes • Establish data quality monitoring • Create clear data access protocols • Develop metric standardization	• Build comprehensive governance framework • Implement global data standards • Establish privacy and security protocols • Create data stewardship model	• Deploy advanced governance platforms • Manage global regulatory compliance • Automate quality monitoring • Enable secure self-service access
Infrastructure	• Implement basic HRIS • Create structured data collection • Establish simple integration practices • Focus on scalable foundations	• Deploy core HR systems • Build data warehouse/repository • Implement integration architecture • Enable basic self-service	• Create comprehensive data architecture • Enable advanced integration • Deploy analytics platforms • Build sophisticated self-service	• Implement global systems architecture • Enable real-time analytics • Deploy AI/ML infrastructure • Create advanced self-service
Methods	• Basic workforce metrics • Simple trend analysis • Qualitative insights • External benchmarking	• Predictive analytics • Advanced reporting • Statistical analysis • ROI measurement	• Advanced predictive modeling • Organizational network analysis • Program effectiveness measurement • Sophisticated workforce planning	• AI/ML capabilities • Real-time analytics • Advanced experimentation • Prescriptive analytics
Products	• Basic dashboards • Simple hiring analytics • Engagement monitoring • Cost tracking	• Comprehensive dashboards • Attrition prediction • Performance analytics • Workforce planning tools	• Advanced analytics suite • Program optimization tools • Strategic planning solutions • Predictive platforms	• Enterprise analytics portal • AI-driven insights • Real-time analytics • Personalized solutions

Maximizing Impact Through Strategic Evolution

Success in people analytics requires more than technical capability. It requires clear alignment with business strategy and a focus on driving outcomes. Organizations that successfully leverage people analytics to drive business impact share three common characteristics in their approach.

First, they maintain a strong focus on business outcomes while recognizing the importance of balancing tradeoffs and building trust through operational groundwork. Rather than starting with whatever data is available, they start by identifying key business priorities. Then, they map those priorities to relevant talent decisions. In practice, initial efforts often thread the needle between keeping a high strategic alignment to business priorities and making use of existing data toward that end. As stakeholder confidence builds, maturation of data sources and improved decision-making builds too. Second, they evolve their data ecosystems with a high degree of intentionality. They build capabilities strategically, aligning analytics sophistication with business needs at each growth stage. They resist the temptation to pursue advanced capabilities before establishing strong foundations. They recognize that premature complexity can erode stakeholder trust and undermine decision-making effectiveness. A mismatch between analytics sophistication and growth stage can be counterproductive. Too much complexity too soon can prevent buy-in and not enough sophistication over time can lead to devastating business outcomes. Taking care to evolve analytics in lock step with business growth is key.

3 characteristics of successful people analytics for business outcomes:

1. Focus on business outcomes
2. Evolve data ecosystems intentionally
3. Apply insights for decision making

Analytics are not for the sake of analytics or retrospective documentation. Rather, analytics drive business impact. People analytics are seen as key inputs to business

level decisions. We have found that action is most likely when analytics 1) inform key decisions, 2) are relevant for a diverse set of stakeholders, 3) are presented with a personalized end-user experience, and 4) the decision maker has some level of skill in data literacy. To do this, organizations need to ensure relevant data is collected, offer intuitive interfaces for analytics products, and enable the use of people data and insights for action by buildinh data fluency as a capability within HR and across the organization.

Conclusion: Looking Forward

The ability to make data-driven workforce decisions has become a crucial differentiator for successful organizations. A 2022 study in the International Journal of Business and Economics found that HR analytics adoption is associated with higher return on investment by an average of 6.2% for return on capital employed (ROCE) and 3.2% for return on assets (ROA). Those that invest early in strong analytics foundations create compound advantages as they scale. They make consistently better talent decisions that drive superior business outcomes. Conversely, organizations that delay building proper capabilities accumulate "people data debt" that becomes increasingly costly to address. This debt not only limits future agility but also increases the cost of implementing analytics solutions later.

"HR analytics adoption is associated with higher return on investment by an average of 6.2% for return on capital employed (ROCE)"

The journey from basic metrics to sophisticated analytics may be challenging, but it's essential for modern organizations and help can be brought in to guide. Success requires thoughtful evolution of capabilities aligned with business needs, balanced development across the four pillars of people analytics (governance, infrastructure, methods, and products) and a clear focus on enabling better decisions rather than just generating reports.

KEY TAKEAWAYS

- People analytics is a strategic imperative for business success, not just an operational tool, becoming increasingly critical as organizations grow and scale.
- Early adoption and investment in people analytics creates compounding advantages, while delay creates costly "people data debt" that hinders data-driven decision-making as the organization’s data ecosystem continues to expand and become more complex.
- Successful implementation of people analytics should be driven by business outcomes and priorities, with capabilities built specifically to enable better decisions about talent levers that impact those priorities.
- Organizations must evaluate their people analytics capabilities to match their growth stage - from product-market fit to rapid scaling to global optimization - supporting increasingly complex talent decisions around recruitment, development, retention, and deployment.
- While technical sophistication matters, the greatest business impact comes from making insights accessible and actionable for leaders, with a clear connection between talent decisions and business outcomes.

Moving Forward: Take the Next Step

The journey to building effective people analytics capabilities may seem daunting, but organizations don't need to navigate it alone. With the right partners and approach, you can begin making better talent decisions immediately while building foundations that support long-term growth.

Success requires three key elements: understanding your current capabilities and defining a clear path forward, building robust technical foundations and processes, and translating data into actionable insights that drive better business decisions. Our network of specialized partners can help you succeed across all these dimensions.

Contact us today to learn about how to get started with a one day workshop supported by Ikona Analytics, Jara Analytics, and Fractional Insights.

About

ikona Analytics specializes in helping organizations understand their analytics maturity and chart a course for growth. Their comprehensive assessment methodology examines your current capabilities across governance, infrastructure, methods, and products, identifying both immediate opportunities and long-term needs. Working with your team, they develop practical roadmaps that align analytics evolution with your business strategy and growth trajectory.

Jara Analytics brings deep technical expertise in building sustainable analytics capabilities. Whether you're establishing initial data infrastructure or implementing advanced analytics solutions, their team ensures you build foundations that scale. They combine technical excellence with practical understanding of talent management, helping organizations avoid common pitfalls while accelerating their analytics journey.

Fractional Insights helps organizations make better people related decisions with their data, and support them in measuring the people factors that matter for business outcomes. As organizational psychologists, they translate people data into business outcomes that the entire C-suite can understand. Their team of experienced practitioners works with leaders to identify the most crucial talent decisions, design and evaluate data-driven solutions, and develop future-ready people strategies with a clear ROI. They generate practical insights that drive action, ensuring your people investments create real business value. Don't let another quarter pass with valuable insights hidden in your workforce data. Start building the capabilities you need to make better talent decisions today.

For strategic advisory and designing data-driven people solutions:
Fractional Insights (www.fractionalinsights.ai)
info@fractionalinsights.ai

Together, these complementary capabilities create a powerful partnership for organizations at any stage of their analytics journey:

- For early-stage organizations, we can help you establish smart foundations that support growth without overinvesting in infrastructure. Our focus is on implementing practical solutions that create immediate value while building for the future.

- For growth-stage companies navigating rapid scaling, we help you transition from informal practices to structured capabilities without losing momentum. Our experience helps you avoid common pitfalls while building systems that support sustained growth.

- For mid-sized organizations facing increasing complexity, we bring balanced solutions that address immediate challenges while building sophisticated capabilities. Whether you're struggling with data quality or need to upgrade your analytics approach, we can help you chart and execute an effective path forward.

- For large enterprises pursuing analytics transformation, we offer comprehensive support across strategy, implementation, and optimization. Our expertise spans the full analytics spectrum, from governance to advanced AI/ML applications.

The first step is understanding where you are and where you need to go.

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