HR.com's State of People Analytics 2025-2026

Close the gap between insight and action

PeopleInsight by **HireRoad**

Organizations are struggling with people analytics (PA)

Just 23% rate their organization as very or extremely effective at designing and implementing processes to get the most out of people analytics.

Only 45% agree or strongly agree that their PA processes and technology systems lead to better talent and business outcomes.

Fewer organizations are turning analytics into real outcomes, a steady decline from **57%** in 2023 and **48%** last year.

So, how can organizations strengthen their PA capabilities?

First, determine your organization's PA challenges and the most useful practices to improve analytics

What's holding organizations back?

Respondents in our study find these processes particularly difficult:

- integrating disparate sources of data
- training staff and building analytics capability
- ensuring data quality, security and compliance
- selecting and managing analytics tools

What helps them move forward?

The most useful practices in improving analytics are:

- collecting data consistently
- turning data into insights
- sharing data/ knowledge with others

Second, invest in systems that enable cross-functional data integration

Just 42% agree or strongly agree that their technology systems are well-integrated

Only 26% often or always integrate business data with HR data

Compared to **PA laggards, PA leaders** are much more likely to:

» often or always integrate their non-HR data with their HR data for the purpose of analytics **(51% vs 9%)**

» agree or strongly agree their HR systems are well integrated so they can easily pull data for useful analyses **(87% vs 22%)**

Defining leaders and laggards

People analytics leaders (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 (PA laggards) are respondents who answered the same question as some what effective or not effective at all.

Third, consider expanding tool adoption beyond core HR systems

Many organizations are still relying on **basic tools** including:

core HRIS/ HCMS analytics **50%**

spreadsheets **49%**

Fewer are using more **advanced tools** such as:

» **AI or machine learning platforms** — **25%**

» **centralized HR data warehouse/lake** — **21%**

» **statistical & data science tools** — **17%**

» **specialized people analytics software** — **13%**

As organizations mature, they move from simple reporting toward predictive and AI-driven analytics. Compared to **laggards, PA leaders** are more likely to use:

✅ AI or machine learning programs **(52% vs 18%)**

✅ specialized people analytics software **(30% vs 8%)**

Fourth, train employees how to effectively use AI for people analytics

75% of all organizations use AI for people analytics compared to just **40%** who used AI for analytics last year.

The most common use cases are:

- generating narratives and communication
- analyze unstructured text

Expanding into the following use cases could be valuable:

- enhancing workforce planning
- automating data preparation and reporting
- predicting workforce outcomes
- evaluating training effectiveness

For now, though, most organizations still use it for communication, not prediction.

Fifth, consider what changes can be made based on PA insights to move from knowing to doing

Many can collect and understand data, but few can turn it into meaningful change

Half believe their organization is good or very good at:
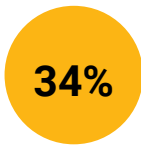
- generating and gathering people data
- understanding and evaluating data for PA

However, far fewer rate themselves positively in their ability to:

31% measure the impact of PA actions

34% make constructive changes based on PA insights

Compared to PA laggards, leaders are much more likely to:

- **understand** and evaluate data for PA **(90% vs 19%)**
- **leverage** PA to gain actionable insights **(87% vs 16%)**
- **measure** the impact of PA actions analytics **(69% vs 12%)**
- **make** constructive changes based on PA **(66% vs 12%)**

Final Key Takeaway: Organizations need to integrate data across systems, adopt advanced tools, train employees on AI, and act on insights to drive favorable business and talent outcomes.

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