

# Democratizing People Data What Works

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People analytics is a rapidly evolving discipline that gains importance as it progresses. Every part of a business is now automated and driven by data: sales, marketing, operations, customer success, products, finance, and more are all entirely data dependent. Every day, the many decisions business management must make are driven by massive sets of data.

Analytics tools abound, and the most sophisticated, high-performing organizations use a variety of them. Basic reporting features of the HCM (human capital management), ATS (applicant tracking system), and LMS (learning management system) provide the “nuts and bolts” a company needs to operate daily, like headcount numbers, open requisitions, or learning program participation. Also, a variety of listening and survey platforms help a company to connect with and hear its employees and positions it to provide solutions or answer questions whenever necessary.

Sophisticated technologies—natural-language processing, organizational network analysis, data warehouses, data lakes, dedicated people analytics, workforce-planning software, and statistical tools—add to the ever-growing options.

But as we identified in our study on employee experience, while the big moments matter, the small moments matter even more.<sup>1</sup> These small moments are the everyday interactions with team members, peers, direct reports, or managers that enable a job to feel like a want instead of a need.

## The Rise of People Analytics

Over the past decade, people analytics became increasingly sophisticated. Beyond simple questions of headcount and demographics, analytics teams now help business leaders approach complex issues such as:

- Identifying root causes of burnout
- Determining meeting overload
- Capturing preferences regarding remote or hybrid work
- Predicting talent shortages

1 *The Definitive Guide: Employee Experience*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2021.

In times of tremendous labor shortages and a highly competitive job market, understanding, predicting, modeling, and planning for future workforce needs is more important than ever. As high a number as 70% of executives see people analytics as a priority.<sup>2</sup>

In addition to planning and resolving issues, an often-overlooked element of people analytics is the power behind driving people data and insights directly to the managers and employees. What this power does is remove the middle person of HR, which frees up time and allows for an unencumbered flow of data.

In this report, we explain the concept of democratizing people data, identify criteria for success, and show practical solutions and applications to move toward this new way of supporting data cultures in organizations.

## Why People Analytics Matters Now More Than Ever

People analytics has evolved from an academic exercise of tweaking survey instruments and deeply analyzing employee engagement to a business function and a capability that's critical for HR and management alike. This evolved form is occasionally known as “advanced” people analytics.

At the heart of people analytics is the opportunity to listen to employees in a variety of ways, which has shown to be extremely impactful in numerous areas. For example, our DEI (diversity, equity, and inclusion) study identified the number one practice used to drive DEI and overall business outcomes is listening to employees and then acting accordingly.<sup>3</sup> Similarly, as found in our business resilience study, listening to employees ranked very high on the list of outcome drivers.<sup>4</sup>

2 [“How to be great at people analytics.”](#) Elizabeth Ledet, Keith McNulty, Daniel Morales, and Marissa Shandell/McKinsey, October 20, 2020.

3 *Elevating Equity: The Real Story of Diversity and Inclusion*, Josh Bersin and Kathi Enderes PhD/The Josh Bersin Company, 2021.

4 *Business Resilience: The Global COVID-19 Pandemic Response Study*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2020.

## People Analytics Segue to Business Success

In our definitive guide on employee experience (EX), we reiterate the important impact of people analytics and action-taking, which significantly improves people outcomes, financial performance, and innovation success (see Figure 1).<sup>5</sup>

When we evaluated 10 broad technology practices in regard to their impact on outputs, we found that advanced people analytics is the most impactful tech practice out of them all (see Figure 2).

What does this mean? Advanced people analytics and action-taking have the highest impact on overall business outcomes. They are followed by advanced knowledge systems and adaptive learning tools. When people analytics provide the data we need to understand all barriers to productivity and inclusion, we're poised to act based on these insights; we can provide and use people knowledge and build capabilities into our workflows. Utilizing all of this data is when employees can be and can do their best.

Figure 1: The Impact of Advanced People Analytics

Companies that use advanced people analytics are:



Source: The Josh Bersin Company, 2022

Figure 2: Top Five Technology Practices Arranged by Their Impact on Outcomes

○ Unique to specific outcome

Business Outcomes	People Outcomes	Innovation Outcomes	Relative Impact
① Advanced learning tools	① Advanced people analytics	① Advanced people analytics	VERY HIGH ↑ MEDIUM
② Support systems in the flow of work	② Collaboration tools	② Knowledge management tools	
③ Advanced people analytics	③ Advanced learning tools	③ Next-generation interfaces	
④ Focus on user privacy and security	④ Knowledge management tools	④ Support systems in the flow of work	
⑤ Knowledge management tools	⑤ Focus on user privacy and security	⑤ Work and support systems connected	

Source: The Josh Bersin Company, 2022

<sup>5</sup> The Definitive Guide: Employee Experience, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2021.

# Different Levels of People Data Customers

Based on our Global HR Capability project, people analytics are among the top three areas of importance for close to 8,000 HR professionals and leaders. Our program in The Josh Bersin Academy is one of the most popular programs on offer, and specific conferences, communities, and meet ups in major cities focus on people analytics. Meta, Google, and Capital One have dedicated massive teams to focus on every domain of human capital; from leadership to recruiting, L&D to EX, and performance management to HR technology.

Many of these analytics groups cater to the strategic priorities of their companies—analyzing data with statistical methods, using predictions to determine retention or engagement risks, identifying critical factors for performance, determining what approaches will bolster an effective work environment, etc.

Two additional layers of people analytics are often not addressed effectively. One is the needs of line managers and leaders to get on-demand insights into their teams so they can take action. The second is getting employees to visualize and understand the organization for effective collaboration on many work-critical activities. An important consideration regarding these two layers is one team catering to the needs of another, such as people

in other departments, HR business partners, other executives, managers, or employees. This can be a challenge, as analytical capabilities and systems can vary widely (see Figure 3).

## From Data to Insights to Action

Consider people-related questions; they are ever-present and potentially endless. Some examples relevant to the topic of this report are:

- Are people healthy and well?
- Do they have the resources they need for success?
- How can they create learning and development?
- Who are the high performers in my company?
- Who needs more support and coaching?
- What are the different skills across a team?
- Where are we trending upward or downward over time?
- How are our diversity and inclusion programs working?
- Are we paying people fairly and equitably?

Some of these questions can be addressed by a people analytics team, by HR, or by senior leadership. For example, with a topic such as a policy change, a senior leader needs to make decisions while HR facilitates. Senior leaders would also need to act on certain insights if a company is to increase pay levels, reward leaders, or communicate key strategies more

Figure 3: People Analytics Customers

Group	Level of Impact	Analytical Capabilities	Traditional Systems Used
People analytics	Strategic	High	SPSS, R, SAS, Visier, spreadsheets, Tableau
Finance, marketing, sales, operations	Organization/team	Medium to low	Spreadsheets
HR	Organization/team	Medium to low	Spreadsheets, HCM
Executives	Organization	Medium to low	PowerPoint
Managers	Team	Low	Various tools
Employees	Individual	Low	No access

Source: The Josh Bersin Company, 2022

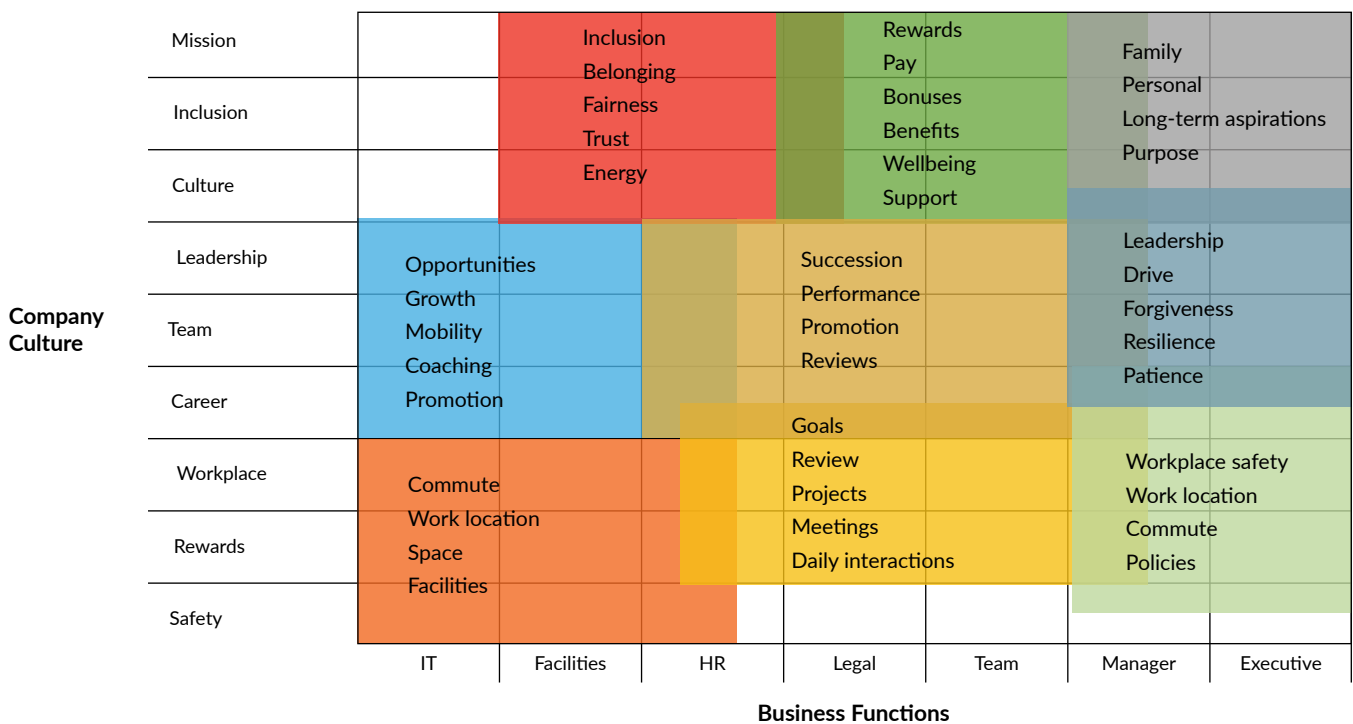
effectively. For most topics, however, managers, leaders, and employees alike are all accountable to act.

Other questions, the ones whose answers rely on data, don't just come from one system; they require various systems that all feed into an analytics platform. A company needs to

understand numerous different angles and experiences; the topics that collectively add up to EX span all business functions and touch all the issues of corporate culture (see Figure 4).

Every factor in Figure 4 can be measured, evaluated, visualized, predicted, and improved by using people data. For example, a

Figure 4: The Range of Employee Experience Issues



Source: The Josh Bersin Company, 2021

Getting people data to every manager and employee is critical. We call this “democratized people data.”

leader may want to visualize the work locations of their team. When that information is combined with factors like commute time, a leader could glean reasons why a specific group may have a higher risk of turnover in regard to return to work.

people data to line managers and employees—all with the goal to improve the overall work experience, create better insights, and drive quality, data informed decisions.

## Democratized People Data, Explained

If you aim to manage your people based on data and insights instead of gut feelings and an inevitable human bias, getting people data to every manager and employee is critical. We call this “democratized people data,” and what it means is giving real-time, secure, actionable insights from different sources on

## Benefits for the Organization, Managers, and Employees

The benefits of democratized people data abound. For the organization, giving direct access to the parties who take action on the data creates a better, or “irresistible”<sup>6</sup>, employee experience, which in turn results in many notable positives: more satisfied customers, better financial results, increased employee retention and engagement, and more frequent innovation (see Figure 5).

Figure 5: The Impact of an Irresistible Employee Experience on Outcomes



Source: The Josh Bersin Company, 2022

<sup>6</sup> We define “irresistible” as an experience people simply can’t resist; an adjective describing a business that is attractive and engaging for employees, and one that often experiences higher rates of employee retention

What managers gain from democratizing people data allows them to make better, less biased, more intentional, and faster decisions on any topic. This creates better performance and more effectively keeps a team working together.

In the same vein as the managers, what employees gain is the wherewithal to work more efficiently while on a team. They build better connections and have more autonomy to make decisions related to their work. As a result, they perform better, can grow their careers, and can develop stronger working relationships.

## Barriers to Democratizing People Analytics

The vast majority of organizations don't open up analytics and insights about employees to line managers or to even employees themselves. In fact, only 17% of companies are using people analytics to drive management decisions on a daily basis.<sup>7</sup> Decades ago, readily available people data simply wasn't accessible, but lack of data is not a modern problem. Why then such a low percentage of use?

### *Disparate Data Sources*

Today, people data resides in many different places. Your HCM, payroll and benefits departments, ATS, and LMS all have valuable insights. Then there are survey-based insights, financial-planning systems, operational systems, sales management platforms, etc. An additional variety of data, not captured in any system, is what's known as "unstructured data," which is things like discussions on internal social media platforms or on Glassdoor and other websites.

Such disparate data can be overwhelming for managers. For example, if someone wants to know who on their team has

completed required compliance training, they may visit the company's LMS, while seeing open requisitions is only possible in the ATS, and getting pay information might only be possible in the HCM. As the reasons why these questions are asked are often interrelated, getting an answer from a single source is ideal, yet troublesome.

### Lack of Security Controls

Data privacy and security are universally paramount and demand a company's attention. Not only are legal requirements constantly changing, but a lack of data privacy can permanently erode employee trust.

One obstacle in effectively controlling data privacy and security is that many different systems don't allow for field-level access control. Rather than inadvertently disclosing data too broadly, HR teams might err on the side of caution and never disclose or provide access to any data to managers or employees.

### Limited Analytical and Functional Capabilities

Another reason for withheld data is a manager's potential lack of analytical capabilities and knowledge of HR topics, which is a valid concern since people data is sensitive and could be inadvertently misused or misinterpreted.

As an example, when a certain people analytics team started using predictive analytics to identify team members at the highest risk of turnover, managers were alerted. Some did not understand that the alert was only a higher probability and not a certainty. This led to managers confronting employees directly and asking why they planned to leave.

Of course, those employees may have had no plans to leave at all, but after such a confrontation, they may have wanted to. Trust—the most important factor of the employee experience according to our study<sup>8</sup>—was destroyed when managers used

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<sup>7</sup> *The Definitive Guide: Employee Experience*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2021.

<sup>8</sup> *Ibid.*

the information inappropriately. What resulted from those situations was an increase in employee turnover.

Key analytical concepts like understanding cause and effect relationships, the difference between correlation and causation or between probability and likelihood, and how to interpret driver analyses, etc., are all important when allowing managers or employees to directly access and interpret deep-dive analyses.

## The People Analytics Technology Ecosystem

Although people analytics goes well beyond simply being a technology solution, platforms and systems continue to play a key role. Data lakes and data warehouses bring together data from financial systems, customer databases, payroll, HCM, learning systems, and many more. These systems might be well suited for complex analysis by trained, specialized analytics professionals, but not for your everyday line manager or leader.

Core transactional systems like HCM, ATS, or LMS are geared toward facilitating processes and creating data but are themselves not designed for analytical use. In fact, our studies show high-performing companies use an average of 10 different tools for people analytics; from an HR management system to an LMS to analytical and data visualization tools.

To truly be impactful, in addition to people data you need insights on productivity, customer satisfaction, sales numbers, safety, financial performance, and the ability to insert these insights into

a workflow. This means more than sophisticated intelligence layers; you'll need a means of engagement that drives action when managers and employees consume the insights.

As you think through your people analytics architecture, you may notice that it is more complex than your HR tech architecture, yet still contains data about performance, cost, etc. This makes sense, given that people analytics includes various systems that are not part of the HR tech stack: financial planning systems, expense tracking systems, and sales management systems. How then can you simplify this complexity for your managers and employees?

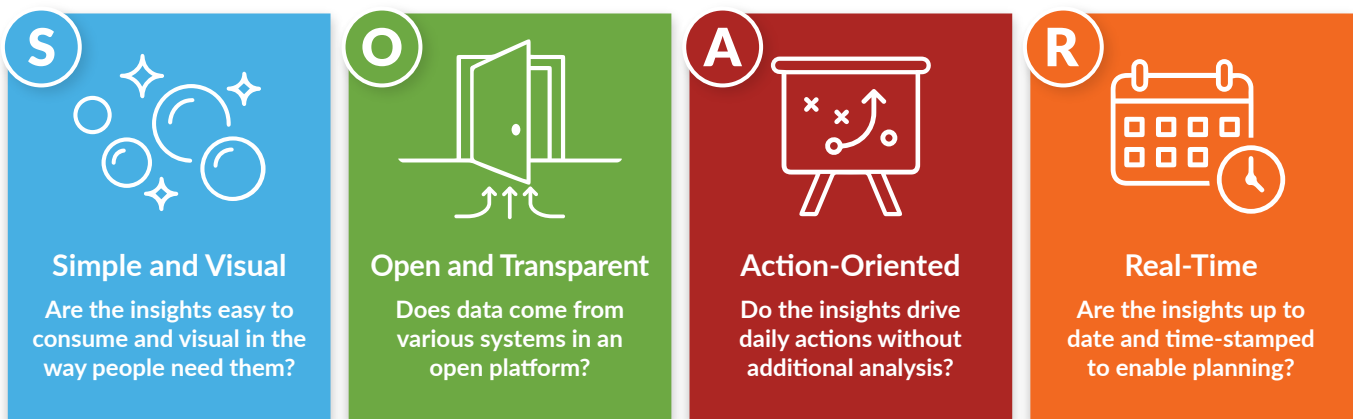
## Characteristics of Strong People Data Democratization

People data technology needs to be designed to fit the work and functions of managers and employees. Busy with their job-related responsibilities, they can't conduct queries in disparate technologies or interpret complex scenarios. Instead, they need something that lets them act on the go; something geared to their needs that serves up the important insights from various systems in an easy-to-consume, visual way.

### People Data SOARS

The four characteristics that enable people data to be its best are explained in what we call SOAR (simple and visual, open and transparent, action-oriented, real-time). See Figure 6.

Figure 6: The Components of SOAR



Source: The Josh Bersin Company, 2022



**S**imple and visual: Managers and employees are not always up to speed in their understanding of data and analytics. Or, they can't devote a lot of time to try and understand data scenarios. In these cases, simple, visual solutions like organization charts and workflow maps help make data easier to consume.

**Example:** One fintech company's employees display a ChartHop (a people analytics platform) organizational chart daily as an easy employee directory. It especially comes in handy when workers are preparing for meetings with others they may not know.

**O**pen and transparent: A people data democratization system needs to ingest and unite data in a transparent way.

**Example:** BetterCloud, an independent software vendor, brings in data from its payroll system into ChartHop for compensation planning.

**A**ction-oriented: People data is most useful when it inspires the right action by the right people at the right time. Deep analytical systems are useful for knowledgeable scientists, but everyday managers and employees need actions to surface easily.

**Example:** Another fintech company's managers were under the impression certain job requisitions on their teams were closed, but in fact those requisitions were open. Management only became aware of this discrepancy when the data surfaced on their organization charts.

**R**eal-time: In today's fast-paced world, people data needs to be both real-time and time-stamped to have a comprehensive understanding of a work environment and to plan for different scenarios.

**Example:** BetterCloud's managers can see different compensation scenarios for their teams and in turn formulate the implications of different rewards decisions before submitting them to leadership.

## Getting Started

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Every company is now sitting on billions of employee data points. How do you make sense of it? How do you see what you are looking for in real-time? And most importantly, how do you take the right actions?

### 1. Identify the Right Sponsor and a Knowledgeable Team

A good executive sponsor will make sure the work gets positioned and resourced correctly. Their sponsorship, along with the people analytics team, HR business partners, finance, and IT, allows democratized people data to hit the ground running.

### 2. Determine the Right Technology

The right technology is crucial to success. It must integrate data from various sources, visualize it in a way people think, and provides real-time access. An open architecture that naturally integrates with the many different platforms you may use will be critical to unleash the full power of all the various data points from your HR, operational, and financial systems.

### 3. Start Small, Then Expand

Identify a use case to get started with. Does it regard DEI reporting, or maybe an employee directory? Maybe compensation planning is your big issue? Identifying a specific use case will help you gain traction and create small, quick wins. You then can leverage those wins and expand to other areas using real feedback from employees and managers.

### 4. Educate, Communicate, and Enhance

Any system is only as useful as its level of adoption by the broader user population. Even if your company has an existing data culture, you may find that managers and employees are not thinking about people data the same way as they think about other data more relevant to them, such as operational data, customer data, sales data, or financial data. Don't let this deter you. Start educating and communicating use cases. As an example, BetterCloud shows ChartHop to new employees during their orientation and onboarding so they are well-positioned that first day to discover colleagues across the company.

# BetterCloud Engages Employees and Brings Transparency to Compensation Planning

BetterCloud is a fast-growing software company with over 330 employees in six locations. Its aim is to create customer-like experiences for its employees; however, the legacy HR systems in use were not conducive to this.

“Most HR systems are designed for back-office administration, not manager or employee consumption,” said VP, Operations Joe Iantosca, “and our employees deserve better.”

BetterCloud embarked on a quest to find a system that would show the company directory to all employees to better prepare them to connect with a growing team and also to support the semi-annual compensation planning process. It selected ChartHop—at the time in its startup phase—a platform company that pulls all people data into one place. “ChartHop’s CEO Ian was a great partner from the get-go. They grew with us and developed the product based on what we needed to run our business better,” Iantosca continued.

## Visibility of Who’s Who

ChartHop easily integrated with ADP, BetterCloud’s HR and payroll system, and brought instant benefits to employees who were visualizing their organization and structure. “It’s like the CRM (client relationship management) for your organization. You can immediately see teams, what they are working on, and who reports to whom, so it helps you get ready for meetings and prepare to collaborate,” said Iantosca.

Employees appreciate the transparency, visual display, and ease of use. “We showcase the directory on day one of employee orientation. It helps new team members better prepare for meetings by providing an understanding of their colleagues’ roles and areas of responsibility,” Iantosca explained.

## Open System Integration

Out of the box, the analytics from the system were useful to answer basic questions like number of people per location, open headcount, and more. Previously, it was impossible to get meaningful insights about employees or teams.

This information was useful because BetterCloud needed a system to support its semiannual compensation planning process. This process was challenging because managers needed to understand the philosophy, budgets, guidelines, and common communication practices.

When everything was laid out in an org chart, managers had an easy time going through approvals, reviews, and sign off. Supporting the compensation committee was no longer a daunting proposition.

Using visual analytics allowed managers and leaders to track budget compliance and understand how funding was allocated across different teams. People adopted the new way to do compensation planning because the visuals really resonated with them.

## Transforming Pay Equity with Transparency

BetterCloud wanted to ensure its process was equitable and fair. It deployed a survey to its 330+ employees to collect key demographics around ethnicity, sexual orientation, family status, and other typically confidential information. Only a small group of internal people see demographic data on the individual level, and BetterCloud communicated the use and need for this data clearly. As a result, more than 90% of people provided their information. ■

# A FinTech Company Makes People Data Accessible for Everyone

A global fintech company with around 2,000 employees found that its reporting and people analytics needs were becoming increasingly challenging and were rapidly outgrowing spreadsheet usage. As the company was growing so quickly, the HR team aimed to simplify and democratize access to people data for managers and employees.

“We often need to create custom reports—people in a specific location, at a specific level, or in a specific group in the company, who is in an office versus who is distributed, etc.,” explained a people data and analytics lead. Instead of trying to navigate several HR and operational systems, the people analytics team now points managers to real-time reporting in ChartHop.

## Configurability, Customization, and Accessibility

As some specific fields like diversity criteria and demographics are sensitive, they are best restricted. However, giving field-based permission is critical to real-time reporting and insights. We found that a number of reports are easy to access and share within HR:

- New joiners in the last quarter
- Office workers vs. remote workers
- Anniversary dates
- Employee survey insights

## Open system integration

The fintech company integrates its HRIS on UKG, an HCM solutions company, and its ATS on Greenhouse, an internal performance platform. The people analytics team can then do additional analyses, while managers or HR can visualize the data within the system and act immediately.

Planning and efficiency are improved as well. For example, as soon as headcount plans are approved in ChartHop, open requisitions are posted in Greenhouse, which streamlines and simplifies the recruiting process.

In addition to many HR systems, the tools integrate with Slack to bring in photos and contact information, and with Okta, the company’s application authorization system, which facilitates single sign-on.

## Facilitating Easier Compensation Reviews

ChartHop is also where managers go to complete the compensation reviews. Bringing in compensation data from the HRIS, they can see different scenarios, plan for various distributions of their budget, and submit things for approval within company guidelines.

Having a visual, easy-to-consume way to plan and model has helped managers get more comfortable making compensation decisions that both support the company’s pay for performance philosophy and are fair and equitable for the employee.

## Supporting Daily Insights for Employees

As we’ve stated, employees also need access to people data. “There is an org chart tab, where you can go in and see the entire organization chart. And you can go into individual profiles and see titles, locations, and time zones. That’s particularly helpful when we’re meeting with people in different geographical locations,” said the people analytics leader.

## Next Steps

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As a next step in democratizing people data, the HR team plans to bring in performance and engagement insights. For managers, data from the semi-annual employee survey will be included, bringing together goals, performance reviews, and engagement in one easy-to-understand view. “Employees will be able to see their goals and performance reviews right where they access all their details, and managers can get key insights about performance and engagement combined with all other people data to make smarter people decisions,” explained the people analytics leader.

## Conclusion

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In today’s data rich environment, every company has access to millions of data points about its people. People analytics teams and specialized analytical software are important for approaching the biggest people-related challenges based on facts and insights, making the “moments that matter” truly memorable and special. Without accessible, secure, and up-to-date people data, managers fly blind. Democratizing people data lights their paths toward an irresistible employee experience. ■

## About the Authors



### Josh Bersin

Josh founded Bersin & Associates in 2001 to provide research and advisory services focused on corporate learning. He expanded the company's coverage to encompass HR, talent management, talent acquisition, and leadership and became a recognized expert in the talent market. Josh sold the company to Deloitte in 2012 and was a partner in Bersin by Deloitte up until 2018.

In 2019, Josh founded the Josh Bersin Academy, a professional development academy that has become the "home for HR." In 2020, he put together a team of analysts and advisors who are now working with him to support and guide HR organizations from around the world under the umbrella of The Josh Bersin Company. He is frequently featured in publications such as *Forbes*, *Harvard Business Review*, *HR Executive*, *The Wall Street Journal*, and *CLO Magazine*. He is a popular blogger and has more than 800,000 followers on LinkedIn.



### Kathi Enderes, PhD

Kathi is the senior vice president of research at The Josh Bersin Company, leading and developing research-based insights for all areas of HR, learning, talent, and HR technology. Kathi has more than 20 years' global experience, from management consulting with IBM, PwC, and EY and as a talent leader at McKesson and Kaiser Permanente. Most recently, Kathi led talent and workforce research at Deloitte. She is a frequent keynote speaker, author, and thought leader.

Originally from Austria, Kathi has worked in Vienna, London, and Spain and now lives in San Francisco. Her passion is to make work better and more meaningful. Kathi holds a doctoral degree in mathematics and a master's degree in mathematics from the University of Vienna.

## The Josh Bersin Company Membership

The Josh Bersin Company provides a wide range of research and advisory services to help HR leaders and professionals tackle the ever-evolving challenges and needs of today's workforce. We cover all topics in HR, talent, and L&D. The Josh Bersin Academy—built on our research and powered by Nomadic Learning—helps HR practitioners grow key foundational skills. Our corporate membership program provides HR teams and senior leaders with the skills, strategies, and insights to build cutting-edge HR and people strategies through a combination of research, assessments, professional development, exclusive events, and community. In 2022, The Josh Bersin Company introduced the Global Workforce Intelligence (GWI) Project to guide market-leading businesses and their leaders through the challenges of industry convergence while remaining future-focused.

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