The Value of HR Data Is High

But Organizations Still Struggle to Trust It

HRO Today **Flash Reports** are a series of ongoing research initiatives that address today's topics of interest in the HR community. *HRO Today* Flash Reports are focused briefs that can be used to support business decisions and discussions among industry practitioners and thought leaders.

Introduction

Talent Acquisition (TA) professionals can assess the value of data-driven decision-making by evaluating the impact of data on hiring quality, process efficiency, candidate experience, and alignment with broader organizational goals.

However, maximizing the potential of talent intelligence and HR analytics is challenging for many organizations due to a mix of structural, technical, and cultural factors. This challenge can result in great frustration and apprehension. Can this anxiety be alleviated by better understanding how data can be used in making decisions? This report uncovers some of the attitudes around the use of talent acquisition data and how TA professionals can better assess the value of using data in making talent decisions.

Methodology

Between September 18 and October 17, 2024, a series of emails were sent to subscribers of *HRO Today* magazine and *HRO Today* newsletters, inviting them to take part in an online study. Study respondents were at the manager level or above within their Human Resources departments. Respondents were screened to ensure that they were personally knowledgeable about their companies' experience using talent market data and that they were in organizations with at least 100 full-time employees. In total, there were 68 usable surveys.

Respondents were not aware of Wilson's sponsorship, and all responses were confidential.

KEY FINDINGS

There were eight key findings from this study:

There is a highly shared belief in the value of data in making talent decisions. Overall, 83% feel using data in this way is either critical or very important. Data supporting talent decisions permits informed, objective, and strategic decision-making. Further, data is essential in workforce planning, since it can accurately forecast staffing needs and illustrate skills gaps, both of which can ensure that the right people are in the right roles.

The positive impact of data on making decisions is widespread. The belief that better talent acquisition decisions can be made with enhanced insight is shared by 90% of study respondents. Further, the assertion that optimal decision-making only occurs after relevant data has been reviewed is also agreed upon by 9 in 10 respondents (89%).

Few feel they are fully aware of the kind of information available to them to make TA decisions. While nearly two-thirds (62%) of respondents agree overall that they feel aware of the kind of information available to make TA decisions, only 13% completely agree. This finding suggests that there is an opportunity for education about the information.

The incorporation of dedicated HR Analysts in the department is still low. Overall, fewer than one-third (29%) of respondents indicate that their organization has dedicated HR analysts.

Cost is the primary deterrent in maximizing the value of talent intelligence and HR analytics, as indicated by two-thirds (66%) of study participants.

HR leaders are optimistic that their organizations will evolve in their use of HR Tech and analytics over the next three years. In 2025 less than one-quarter (23%) consider their organization to have comprehensive systems or innovation leadership. But study participants forecast that this percentage will more than double in three years to 57%.

Anxiety about making staffing-related decisions is high. Overall, two-thirds (66%) feel at least moderate anxiety in making decisions. The absence of information only increases the level of anxiety.

Trust in data is generally high. Overall, 84% either completely or somewhat trust data, suggesting a high overall level of confidence. But while trust is generally high, only 21% completely trust it, meaning there is an opportunity for data to ingrain itself further into the decision-making process.

Perceptions of the Value of Using Talent Data

Which statement below best reflects your position about the value of using data in making talent decisions?
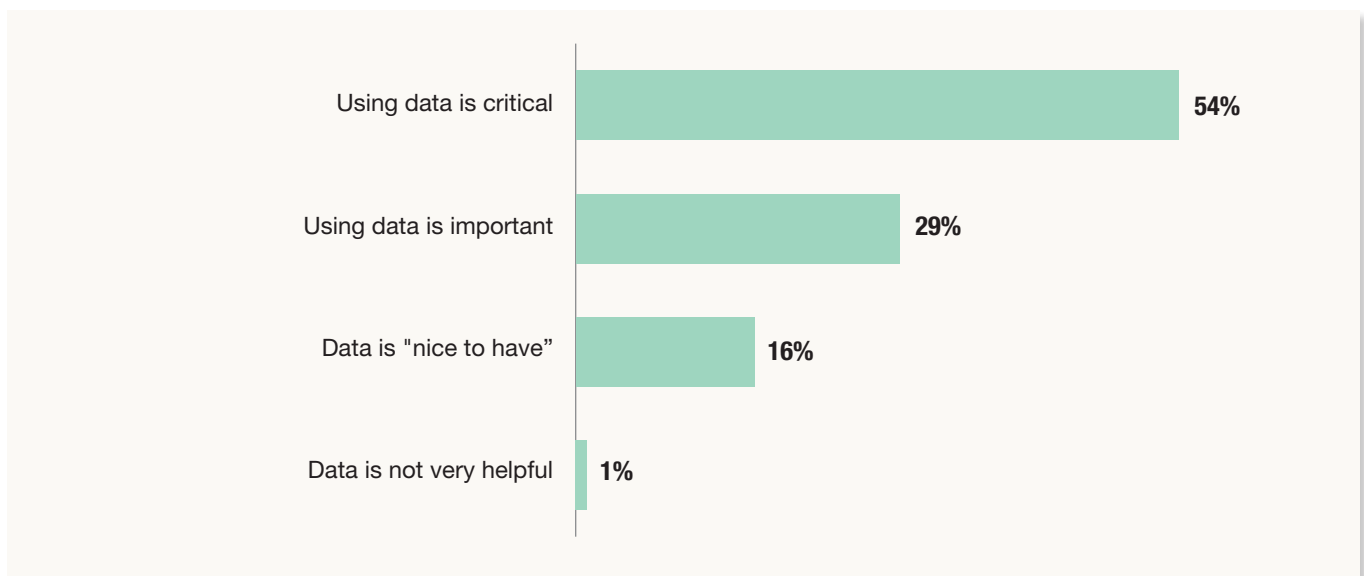
Overall, 83% of senior HR respondents feel using data is either critical (54%) or very important (29%) when making talent decisions.

The view on the importance of data use is not surprising. Using data is critical in making decisions about talent because it allows for informed, objective, and strategic decision-making. Data helps HR departments make more accurate hiring decisions by identifying traits and skills that correlate with high performance, which is critical in workforce planning. According to a study by Deloitte, organizations that use data-driven recruitment are twice as likely to improve their recruiting efforts and have a 41% lower turnover rate than those that do not.[1]

Data-driven screening algorithms can help HR teams assess candidates based on skills, experience, and performance metrics rather than subjective criteria. For example, structured interviews scored through data analytics can reduce interviewer biases, as they rely on consistent metrics instead of personal perceptions. According to research by Harvard Business Review, using data-driven tools for pre-employment assessments can reduce the influence of biases linked to subjective human judgment.[2]

Perceptions of the Value of Using Talent Data

Using data is critical	54%
Using data is important	29%
Data is "nice to have"	16%
Data is not very helpful	1%

Impact of Data on Making Decisions

To what extent do you agree with each of the following statements about how data can be used in making decisions:

There is nearly complete agreement that better decisions about TA can be made with enhanced insight, as 90% of respondents completely agree or agree with the statement. Data can be used to predict the success of potential hires by analyzing historical data on employee performance, tenure, and career progression. By using predictive analytics, organizations can identify candidates who are likely to perform well based on past hiring patterns and specific job requirements.
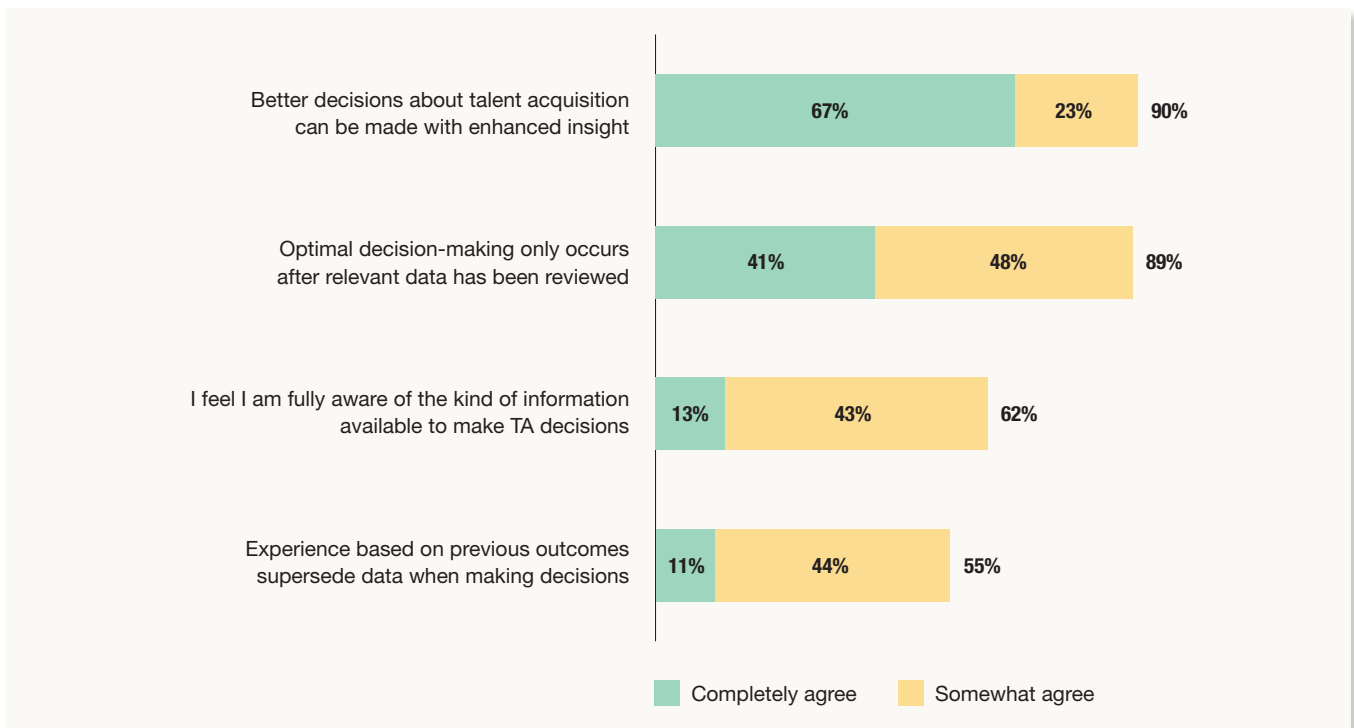
Nearly nine in ten respondents (89%) agree with the statement: "Optimal decision-making only occurs after relevant data has been reviewed." Data-driven analysis allows hiring managers to evaluate candidates more accurately by removing subjectivity and focusing on

measurable competencies, skills, and past performance. This makes it easier to identify candidates who best fit the role based on objective criteria.[3]

While nearly two-thirds (62%) of respondents agree overall that they feel fully aware of the kind of information available to make TA decisions, only 13% completely agree. This suggests that there is an opportunity for education about the information.

Lastly, most (55%) still agree that experiences supersede data when making decisions. A candidate's soft skills, adaptability, or potential cultural fit are often best assessed through human judgment and intuition, which come from experience rather than hard data alone.

Impact of Data on Making Decisions

Statement	Completely agree	Somewhat agree	Total
Better decisions about talent acquisition can be made with enhanced insight	67%	23%	90%
Optimal decision-making only occurs after relevant data has been reviewed	41%	48%	89%
I feel I am fully aware of the kind of information available to make TA decisions	13%	43%	62%
Experience based on previous outcomes supersede data when making decisions	11%	44%	55%

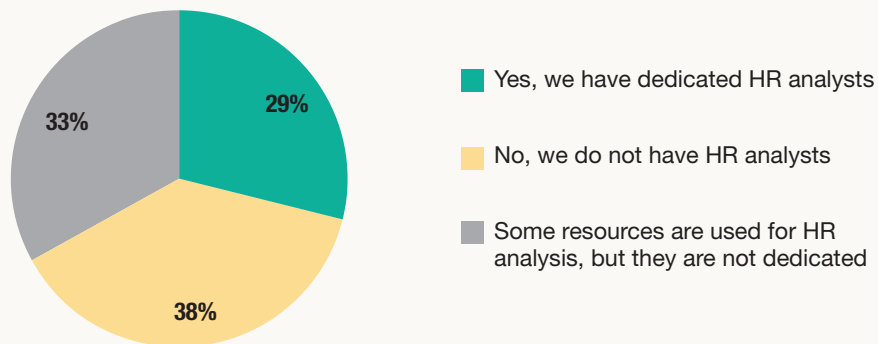Legend: ■ Completely agree ■ Somewhat agree

Dedicated HR Analysts

Does your organization currently have dedicated HR analysts?

Overall, fewer than one-third (29%) have dedicated HR analysts. But this is also going to be dependent on company size and HR department resources. The use of dedicated HR analysts is almost evenly split between having one, not having one, and using non-dedicated resources for HR analysis.

Dedicated HR analysts are important because they can bring a level of expertise and focus that enables HR departments to shift from traditional roles to strategic partners in the organization, driving measurable value across the entire employee lifecycle. Specialized analysts bring expertise in data analytics, statistical methods, and HR technologies, which allows them to extract deeper insights from data and support strategic decision-making within HR. A study by the Society for Human Resource Management (SHRM) reported that companies with dedicated HR analytics functions are better at linking HR metrics to financial outcomes, which enhances their ability to advocate for resources and improvements within HR.[4]

Pie chart:
- 29% — Yes, we have dedicated HR analysts
- 38% — No, we do not have HR analysts
- 33% — Some resources are used for HR analysis, but they are not dedicated

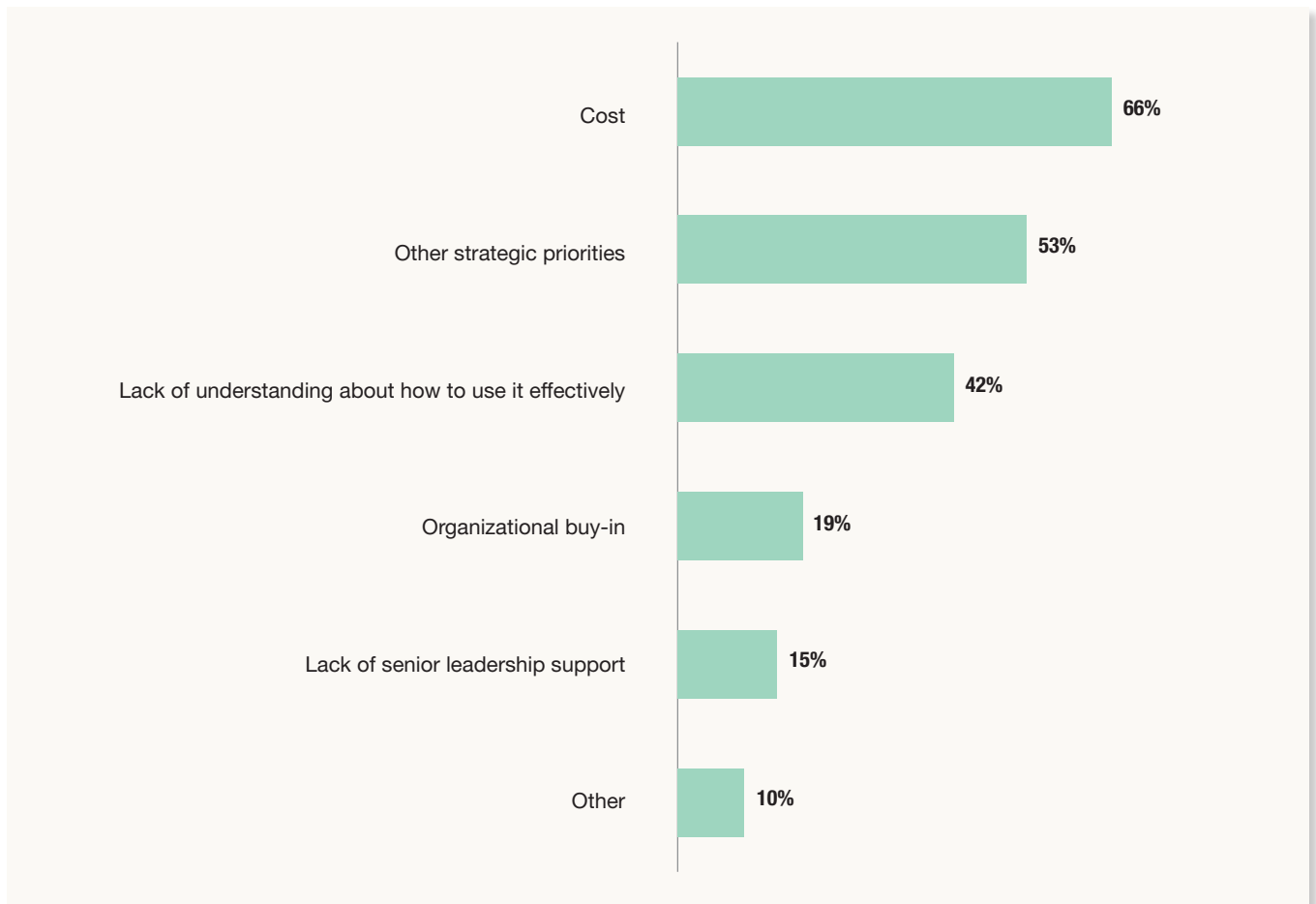# Factors Preventing Maximization of Talent Intelligence and HR Analytics

What do you think is preventing your organization from maximizing the value of talent intelligence and HR analytics?

Respondents were asked what is preventing them from maximizing the value of talent intelligence and HR analytics. The most common reason is cost, as indicated by two-thirds (66%) of study participants. The cost of maximizing the value of talent intelligence and HR analytics for organizations can vary widely depending on several factors, including the HR analytics platform selected as well as the customization required. The required data infrastructure, employee training, and maintenance also factor into cost.[5]

Other strategic priorities is selected by over one-half (53%) of study participants. HR is often last in terms of technology investment, behind sales, operations, and marketing. It is traditionally regarded as a cost center and historically has lacked the tools and expertise necessary to justify technology investment.

Factors Preventing Maximization of Talent Intelligence and HR Analytics

Factor	Percentage
Cost	66%
Other strategic priorities	53%
Lack of understanding about how to use it effectively	42%
Organizational buy-in	19%
Lack of senior leadership support	15%
Other	10%

HR Tech Data and Analytics Evolution

Where is your organization on the HR tech data and analytics evolution today, and where do you expect to be in the evolution in HR tech analytics in three years?

Study participants assessed where their organization is today and where they anticipate it will be in three years on the continuum of HR tech data and analytics evolution.
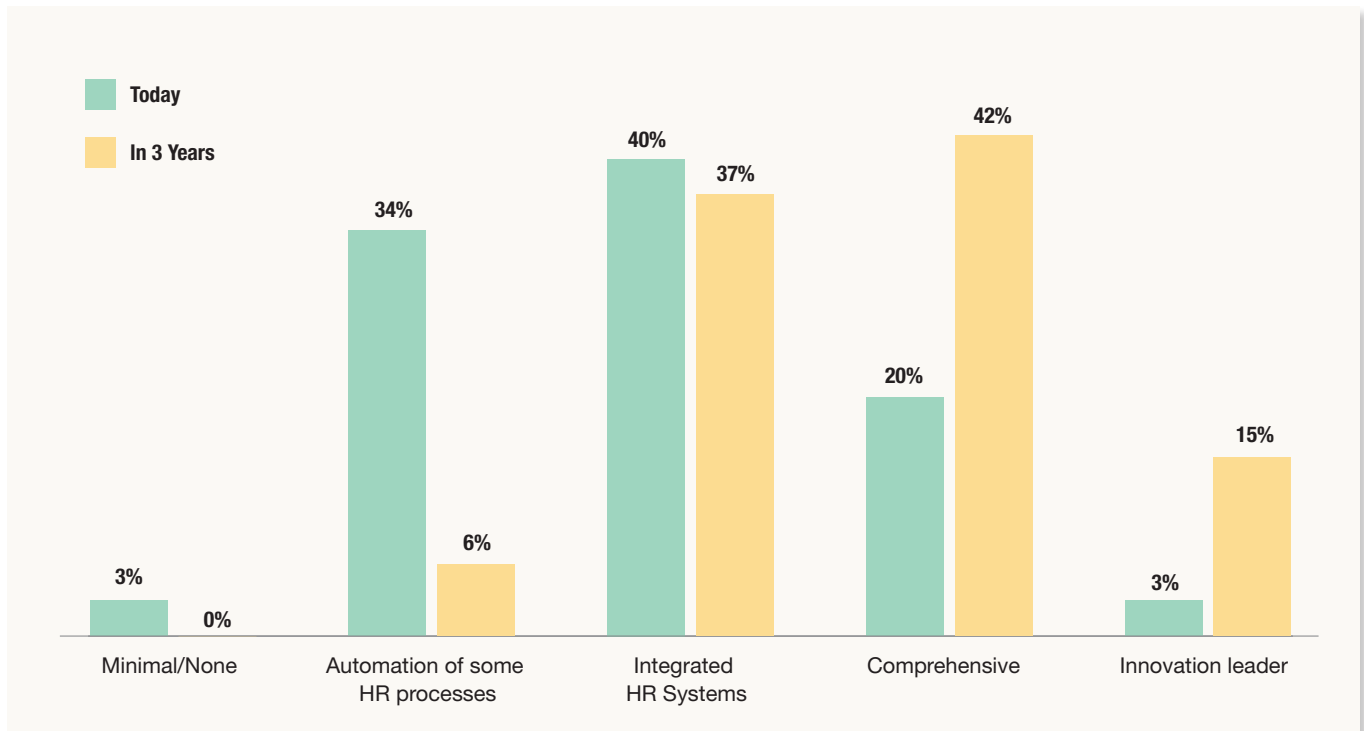
The full description of each category in the chart below is found in the appendix.

HR leaders are optimistic that their organizations will evolve in their use of HR Tech and analytics. There is a clear shift from where they are today, to where they think they will be in three years. In 2025, less than one-quarter (23%) have comprehensive systems or consider themselves innovation leaders. But in three years, the proportion anticipating comprehensive systems or innovation leadership increases dramatically, more than doubling to 57%.

Comprehensive systems include HRMS/HCM-implemented solutions, which integrate multiple HR functions (recruitment, talent management, performance, learning, etc.). To be an innovation leader, cutting-edge technologies are implemented, such as AI, machine learning, advanced predictive analytics, and robotic process automation.

HR Tech Data and Analytics Evolution

Chart legend: Today (green), In 3 Years (yellow)

Category	Today	In 3 Years
Minimal/None	3%	0%
Automation of some HR processes	34%	6%
Integrated HR Systems	40%	37%
Comprehensive	20%	42%
Innovation leader	3%	15%

Anxiety About Staffing-Related Issues

To what extent do you feel anxiety about making the right decisions about staffing-related issues?
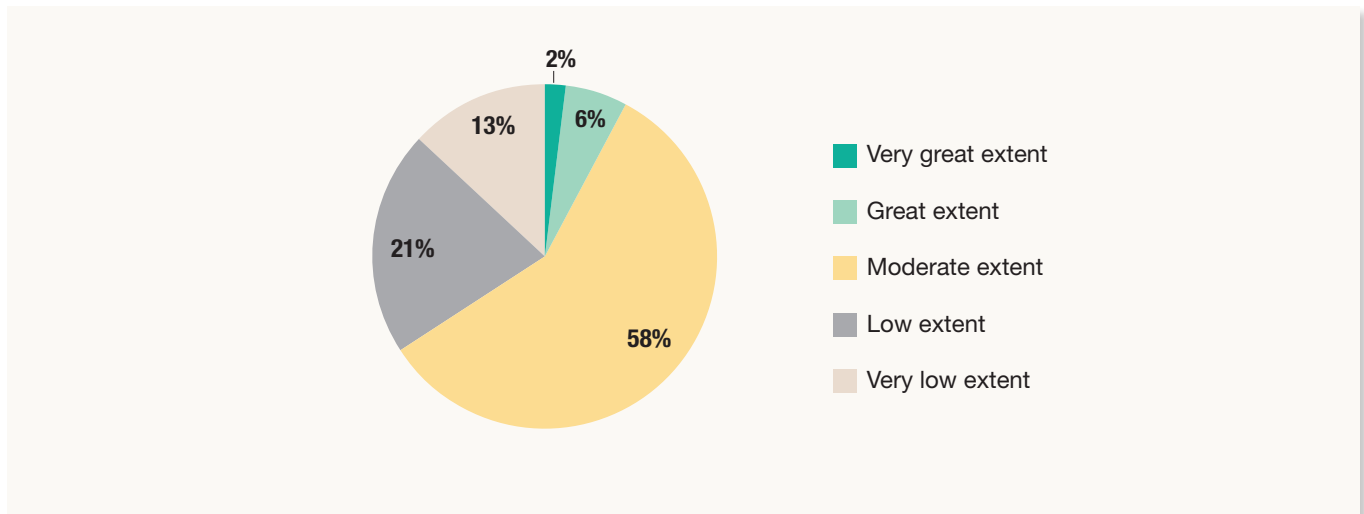
Respondents were asked to gauge their level of anxiety about making staffing-related decisions. There is considerable anxiety about staffing. Overall, two-thirds (66%) feel at least moderate anxiety about staffing.

HR professionals often experience anxiety about making the right decisions for staffing-related issues due to a variety of factors, such as legal and compliance concerns, acquisition and retention, and the impact on company morale.

Further, the need to align staffing with long-term business goals, even amid tight deadlines, creates a challenging and stressful environment for HR decision-makers.

HR is expected to make strategic decisions that align with business objectives. Choosing the right talent to meet organizational goals while ensuring that they fit within the company's strategic direction can create anxiety for HR professionals.

The impact of this stress is exacerbated by the ongoing pressures of recruiting in a challenging talent landscape, further complicating the role of HR leaders. Reports show that 98% of HR professionals are burned out, with 88% even dreading their work. These pressures are compounded by the lack of tools and resources to effectively manage their roles, contributing to an environment of chronic stress and decision fatigue.[6]

Legend:
- Very great extent — 2%
- Great extent — 6%
- Moderate extent — 58%
- Low extent — 21%
- Very low extent — 13%

Trust in HR Data Analytics

How much do you trust the data you are getting?

Study participants were asked how much trust they had in the data they were getting. Overall, 84% either completely or somewhat trust the data, suggesting a high overall level of confidence. While trust is generally high, only 21% completely trust it, meaning there is an opportunity for data to ingrain itself further into the decision-making process.

One of the key means to increase trust is to ensure transparency and quality. Practitioners need to understand the data's origins, methodologies, and limitations. Research by McKinsey indicates that improving data literacy within HR teams helps reduce skepticism and encourages data-driven decision-making, leading to greater confidence in data accuracy and usefulness.[7]

Trust in HR Data Analytics

21%	63%	11%	0%	5%
Completely trust	Somewhat trust	Slightly trust	Do not trust	Not sure
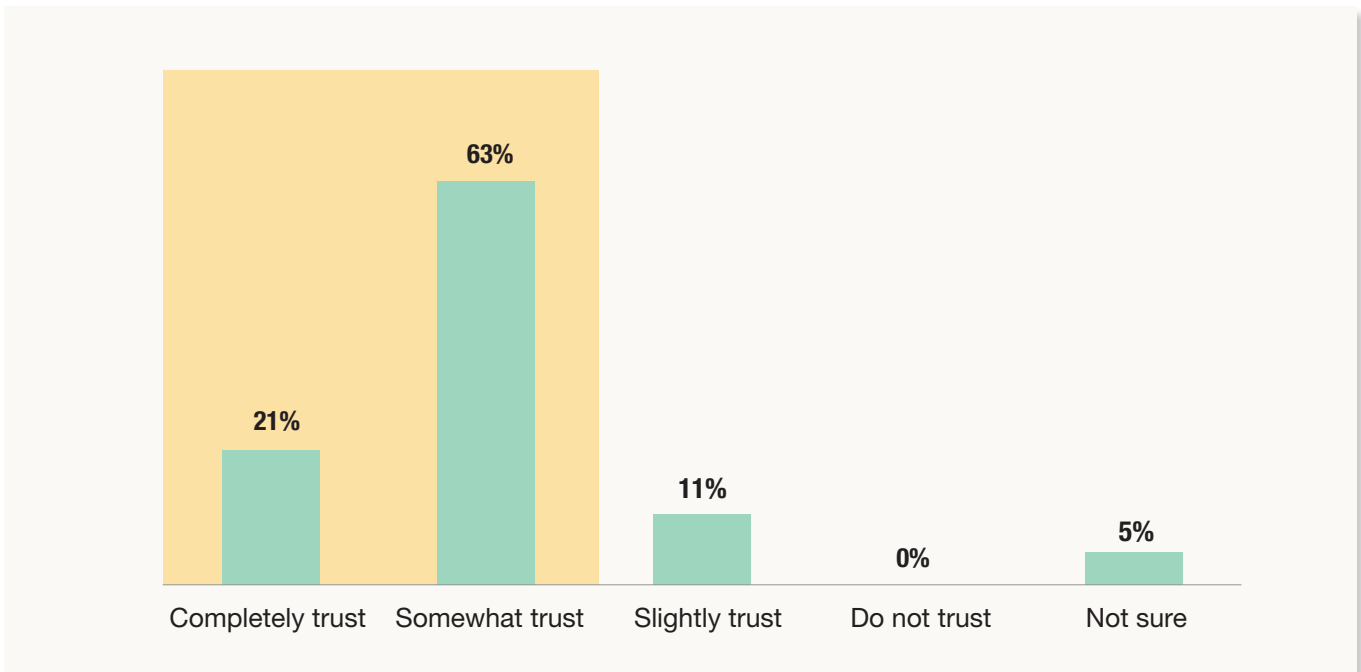
NOTES

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    https://www2.deloitte.com/cn/en/pages/human-capital/articles/global-human-capital-trends-2020.html

2. "Using People Analytics to Drive Diversity." *Harvard Business Review*, Accessed November 11, 2024. https://hbr.org/

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4. Decker, Ragan et al. "The Use of People Analytics in Human Resources," *SHRM*, 2022. https://www.shrm.org/content/dam/en/shrm/research/use-of-people-analytics-in-hr.pdf

5. "HR Cost Optimization," *Gartner*, Accessed 11/16/2024. https://www.gartner.com/en/human-resources/insights/hr-cost-optimization

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7. "McKinsey's Approach to Data-Driven HR (Interview with Keith McNulty, Global Director of People Analytics and Measurement at McKinsey), *MyHRfuture*, September 30, 2019. https://www.myhrfuture.com/digital-hr-leaders-podcast/2019/10/1/mckinseys-approach-to-data-driven-hr

APPENDIX

Minimal/None — Little or no dedicated HR technology. Processes are manual, paper-based, or managed with basic tools like spreadsheets. Fragmented data: HR relies on manual data entry and reporting.

Automation of some HR processes — Basic standalone HR systems for tasks like payroll, attendance, and benefits management. Data is still somewhat fragmented but centralized for certain functions.

Integrated HR Systems — More integrated HR platforms or software solutions that handle a wider range of functions like talent management, performance reviews, and learning. HR data is mostly integrated, offering some insights but is not fully analytics driven.

Comprehensive — Wide-ranging HR management systems (HRMS) or Human Capital Management (HCM) solutions are implemented, integrating multiple HR functions (recruitment, talent management, performance, learning, etc.). Unified data with reporting and analytics capabilities. Data is used to support decision-making.

Innovation leader — Cutting-edge technologies such as AI, machine learning, advanced predictive analytics, and robotic process automation are implemented. Full data integration across all HR and TA functions and advanced analytics drives predictive decision-making.

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