

# Why Workforce Data Analytics Remain Important





At Berkshire, we know that the best business decisions are grounded in a thorough review of data. Decisions about your employees should be no different. Even as compliance requirements change, there are many reasons why employers should continue to complete workforce analytics using the employment data their company creates every day. From staying compliant with federal laws to proactively identifying areas of risk to defending against discrimination claims, workforce analytics make good business sense.

If you are being asked why your organization should continue to use workforce analytics, here are some top reasons to share:

## Why should you analyze your hiring data?

- **Ensure compliance with federal anti-discrimination laws:** While it is important to have policies in place that confirm your company's commitment to hiring fairly, reviewing and analyzing hiring data is the best way to confirm these policies are being implemented appropriately and discrimination is not occurring. If a government agency or an individual brings a hiring discrimination claim against your company, it's not enough to say that you have an anti-discrimination policy. The proof is in the data, and the story that it tells. If you're not analyzing your hiring data on a regular basis, you risk not identifying issues until it's too late.
- **Identify potential issues with specific hiring managers or recruiters:** For large organizations, it's simply not possible to review every individual hiring decision. Analyzing hiring data as a whole can identify areas where there are potential risks, allowing you to drill down and investigate as needed. Identifying potential issues with hiring managers or recruiters allows a company to address those issues quickly, before they are brought to light through employee complaints or lawsuits.
- **Confirm effectiveness of your recruitment strategies & identify barriers to applicants:** There are a variety of analyses that can be performed on hiring data, beyond looking at selection rates of different groups when it comes to who received a job offer. These include comparing your applicant pool to the labor market and identifying if you are attracting a broad range of qualified candidates. This can help you determine if your recruitment efforts are effective, as well as identify if there are potential barriers to equal employment opportunity.

## Why should you analyze your promotion data?

- **Confirm compliance with company promotion policies and procedures:** It is not enough for your company to have promotion policies and procedures in place designed to prevent discrimination in selection decisions. If you only examine individual decisions, you can miss what might be revealed when data is aggregated over a period of time. For example, your company might have a policy requiring promotional opportunities to be posted internally to allow for internal employees to apply, but when you analyze the data, you find that promotions in a particular department often have a limited or no pool. This could then be addressed with that department, resulting in retraining and more frequent checks of the data. Just like with hiring, there can be significant risk if your promotional policies and procedures are not being followed – and regular analysis of workforce data can help you identify these risks.
- **Identify potential issues with specific managers or areas of the company:** Risk in employee selection procedures doesn't end after a person is hired. Promotions are another area where selection decisions are made, often with less guardrails in place than there are for hiring. 'Tap on the shoulder' promotions or career progression promotions can create risk for companies when it's not clear what objective criteria were used to determine why someone was promoted. For large organizations especially, it isn't realistic to review every promotion that occurs. Analyzing your promotion data as a whole allows you to identify any concerning trends, so you can drill down to specific departments, units, or individual decisions to determine that promotion decisions are being made in ways that follow your established policies and procedures and are legally defensible.







## Why should you analyze your termination data?

- **Identify trends in terminations that potentially create risk:** Regular analysis of termination data helps you identify potentially problematic trends in terminations within your company. While individual terminations might not raise alarm bells, when the termination rates of different groups are examined across a department, unit, or manager, trends might appear that could put your company at risk for claims of discrimination from government agencies or individual employees. You can then take the next steps of investigating individual actions to determine if something needs to be addressed. While involuntary terminations are often the focus of review, a thorough analysis of termination data will review voluntary terminations separately, which can identify if further research is needed to determine if there are reasons particular groups are leaving the organization at higher rates than others. Put simply, a thorough analysis of termination data can help to lower employee attrition rates.
- **Mitigate risk during reductions in force:** Employers should carefully review employee selections for a Reduction in Force (RIF) to ensure the process is fair, legally compliant, and aligned with organizational goals. Thorough workforce analytics help prevent potential claims of discrimination or wrongful termination by ensuring that decisions are based on objective, documented criteria such as performance, seniority, or business needs. It also promotes transparency and consistency, reinforcing trust among remaining employees and supporting morale during a difficult transition. By conducting a comprehensive evaluation of RIF selections, employers can mitigate legal risks, uphold ethical standards, and maintain a positive organizational reputation.





## In Summary

We also understand that recent executive actions have been confusing. If your leadership is wondering whether workforce analytics are a good idea in the current environment, knowing the following information will help address any concerns:

- None of the new executive orders prohibit workforce analytics. Employers retain the ability to use data-driven tools to assess workforce trends, improve productivity, and inform strategic decision-making. The new executive orders are focused on ensuring the protection of individual rights, not on restricting legitimate business practices. As long as workforce analytics are conducted in compliance with applicable laws, employers may continue to utilize these tools to support organizational goals.
- Workforce analytics can show disparate treatment. In a May 2025 LinkedIn post, Acting EEOC Chair Andrea Lucas made clear that EEOC will continue to rely on statistical evidence to prove disparate treatment, including “race and sex discrimination that may arise from DEI programs and national origin discrimination involving anti-American bias.” Not looking for patterns of discrimination in your own workforce data means you may be missing early warning signs of possible concerns.
- Workforce analytics are useful for the new contract certifications if your organization plans to continue to seek federal contracts. EO 14173 requires that contractors agree that their compliance with all federal anti-discrimination requirements is material to their government contract and certify that they do not operate any DEI programs that violate federal anti-discrimination laws. While the certification requirement is being debated in court, some federal agencies are already sending out certification demands. Contractors should prepare a due diligence plan for certification now. Routinely analyzing your selection decisions is one way that your organization’s certifying official can feel confident they are certifying in good faith that your practices are free from discrimination.
- Workforce analytics are needed for state and local contract certifications. Workforce analytics and reports are required if an organization wants to continue to hold contracts with many state and local governments.

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