



Better together:

HR-Finance alignment helps managers stay budget-smart and people-fair



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Introduction

Organizations expect managers today to make people decisions that are simultaneously **fair** (defensible, consistent, equity-aware) and **frugal** (budget-aligned, margin-aware, scenario-tested).

Our study of **4,700 people managers** across six global regions shows that managers understand this responsibility. What's missing is the support to carry it out.

Day to day, the data managers need is **fragmented across HR tools**, finance systems, spreadsheets, and informal guidance. Managers spend time stitching together context instead of focusing on the decision itself, creating “decision drag” that slows teams down and weakens consistency and defensibility. In practice, **managers succeed when HR and Finance work better together—bringing people goals and budget realities into the same decision environment.**

Why this matters now: Regulatory momentum continues to increase in the real-world consequences of inconsistent pay, promotion, and performance decisions—including in Europe, where the **EU Pay Transparency Directive** has a **June 7, 2026** transposition deadline.

At the same time, CFO priorities for 2026 emphasize cost optimization and forecasting. Limited confidence in translating AI investment into measurable impact raises the bar for teams to adopt approaches they can govern, explain, and defend with clear ROI.



Methodology

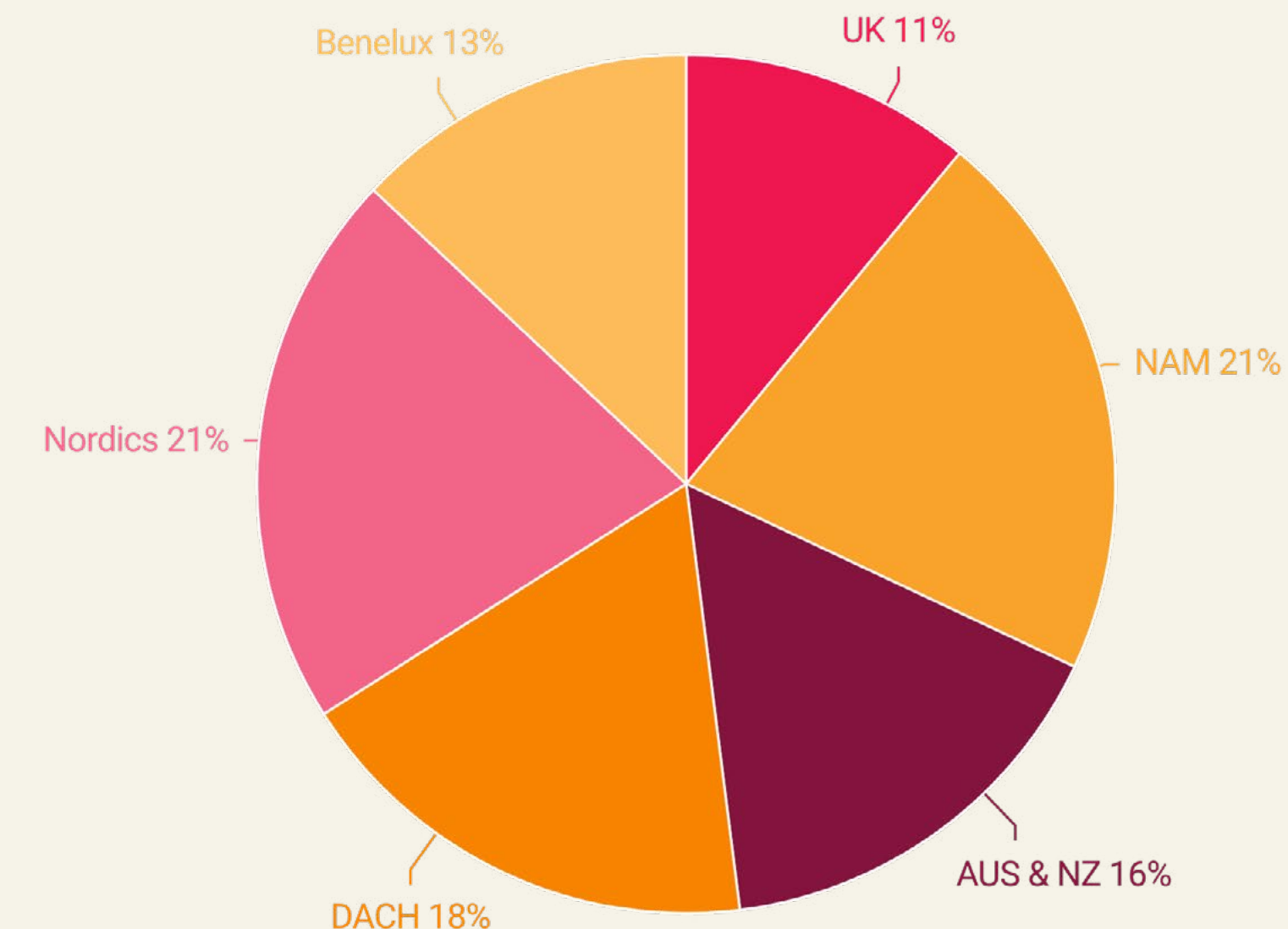
Censuswide fielded this research from **December 24, 2025, to January 9, 2026**, collecting responses from **4,700 full-time people managers** (each with at least one direct report) at companies with **50–5,000 employees**.

The sample included managers from the **UK** (11%), the **US and Canada** (21%), **Australia and New Zealand** (16%), **DACH** (18%), the **Nordics** (21%), and **Benelux** (13%).

All respondents had made at least one of the following six finance-related people decisions in the past year:

- Base pay adjustments
- Bonus/variable pay adjustments
- Promotions allocation
- Performance ratings that influence pay
- Headcount planning (new roles/backfills)
- Access to paid development opportunities

Charts throughout this report round values to the nearest whole number. As a result, some percentages may not total 100. In questions allowing multiple responses (as noted), percentages may also exceed or fall short of 100.



Graph 1: Respondent regional distribution

Executive summary

Across regions, the message is consistent: Fair + frugal is one decision, and organizations still rely on managers and manual workarounds to deliver it.

Key Takeaways

- 1. Fairness pressure concentrates in high-discretion decisions** like performance ratings tied to pay (**21%**), who has access to paid development (19%), and headcount planning (**18%**), not base pay (**12%**).
- 2. The hidden cost of fragmentation is material:** **60%** spend 3+ hours assembling data across systems before a people decision, and **83%** note that switching between tools slows them down at least half the time.
- 3. Decision quality** suffers under time and comparability constraints, with **62%** leaning on an “educated guess” to avoid missing deadlines, **63%** worrying similar roles are evaluated with different metrics across teams, and **65%** unable to ensure truly fair pay decisions without a unified view of budget and people data.
- 4. Missing or conflicting data frequently drives negative outcomes**, with more than **two-thirds (68%)** of managers blaming missing or conflicting information for worse business outcomes at least half the time.
- 5. Decision contestability has become the norm**, with roughly **74–76%** of respondents reporting that at least some decisions were formally challenged or appealed in the past year, and more than half (**54–56%**) saying at least half were challenged or appealed.
- 6. Unified HR+Finance visibility is rare but strongly desired**, with only **2%** reporting access to a unified HR+Finance manager dashboard, even though **79%** agree a shared dashboard would help them manage fairly and effectively.
- 7. Managers view AI as a potential support**, with **87%** saying they would welcome AI tools to unify HR+Finance data and make suggestions on their people decisions.
- 8. These challenges appear globally**, with regional variations reflecting differences in degree and emphasis rather than immunity. No region escapes the difficulty of making holistic decisions fairly and with financial discipline.

1 Where “fair” is hardest: Discretion, comparability, and opportunity

Managers say the hardest decisions to make fairly are not base pay adjustments, but high-discretion decisions—performance ratings tied to pay (21%), access to paid development (19%), and headcount planning (18%)—because these choices require judgment amid ambiguous criteria (what “high performance” means, who is “ready,” which roles are critical) while employees increasingly expect comparability across teams (**Graph 2**).

Graph 2: Which people decisions, if any, are the hardest to do fairly today?



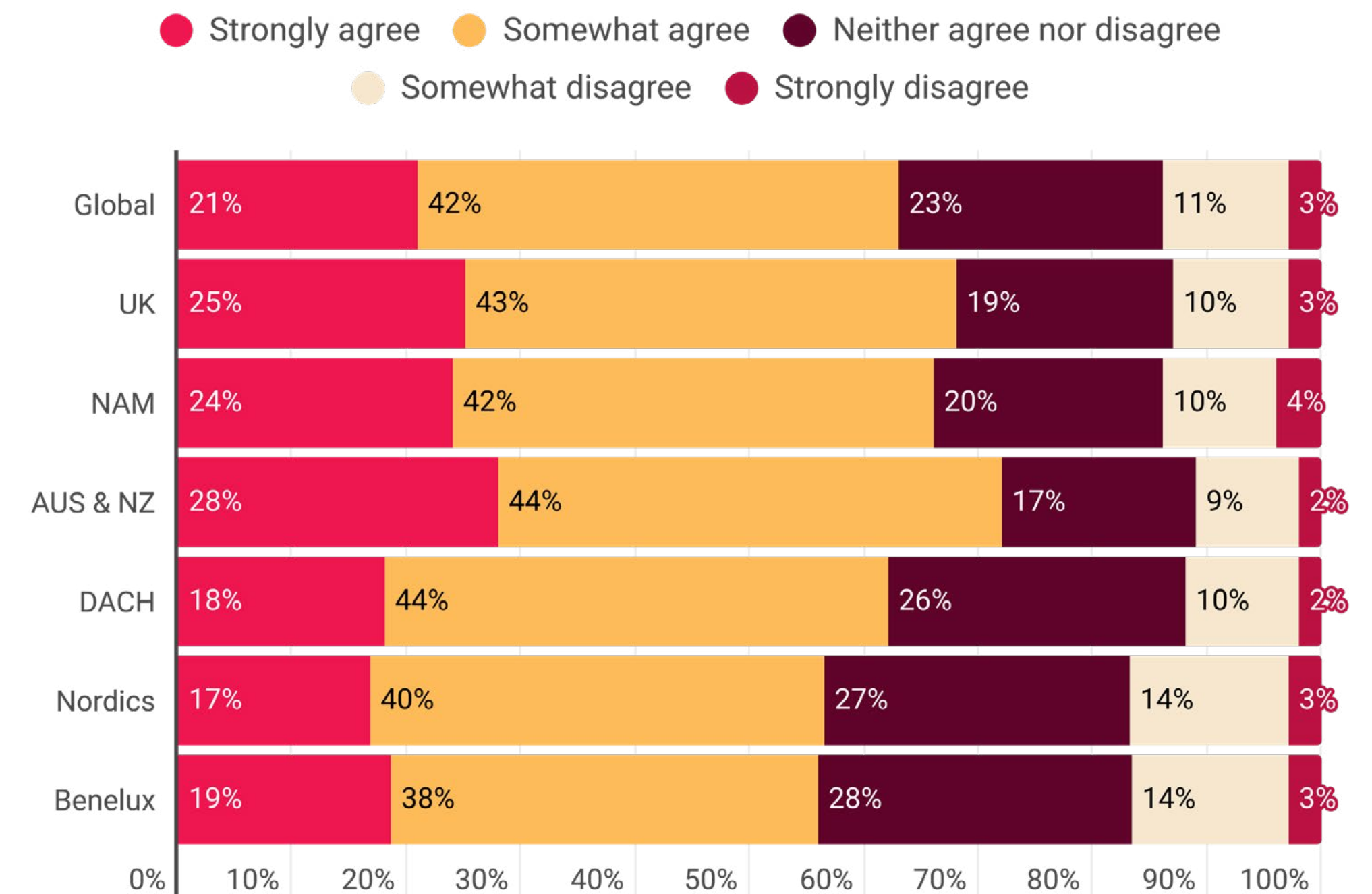


These decisions matter most for business leaders because they directly shape perceived opportunity and internal equity. The survey also points to a structural root cause: **63%** worry similar roles are evaluated with different metrics across teams, signaling an operating risk where fairness depends on local manager interpretation rather than shared standards.

Standardized definitions and shared visibility play an outsized role in high-discretion decisions, where organizations face the most scrutiny and variability around fairness (**Graph 3**).

📍 Regionally, headcount planning pressure is higher in DACH and the Nordics (**23% vs 18% global**). Concern about inconsistent metrics appears more pronounced outside continental Europe.

Graph 3: I worry that similar roles are evaluated with different metrics across teams



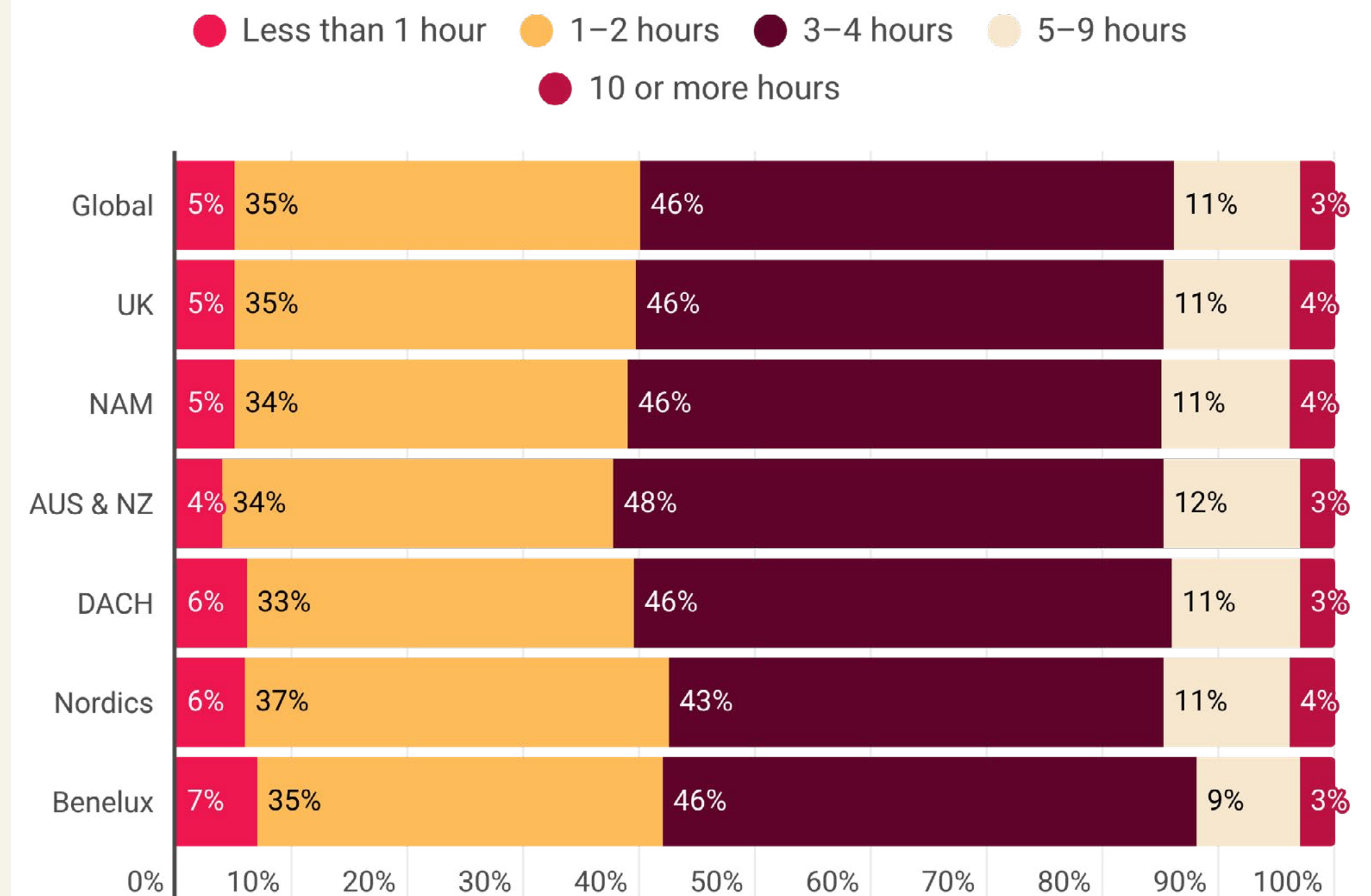
2 The hidden cost of fragmentation: The Stitching Tax

Managers are not only facing a data problem—they are facing a workflow problem—because **60%** spend three or more hours assembling data across systems before making a people decision. Tool switching contributes directly to this delay, with **83%** saying switching between tools slows them down at least half the time, including **57%** who say it happens most or every time (*Graphs 4 and 5*).

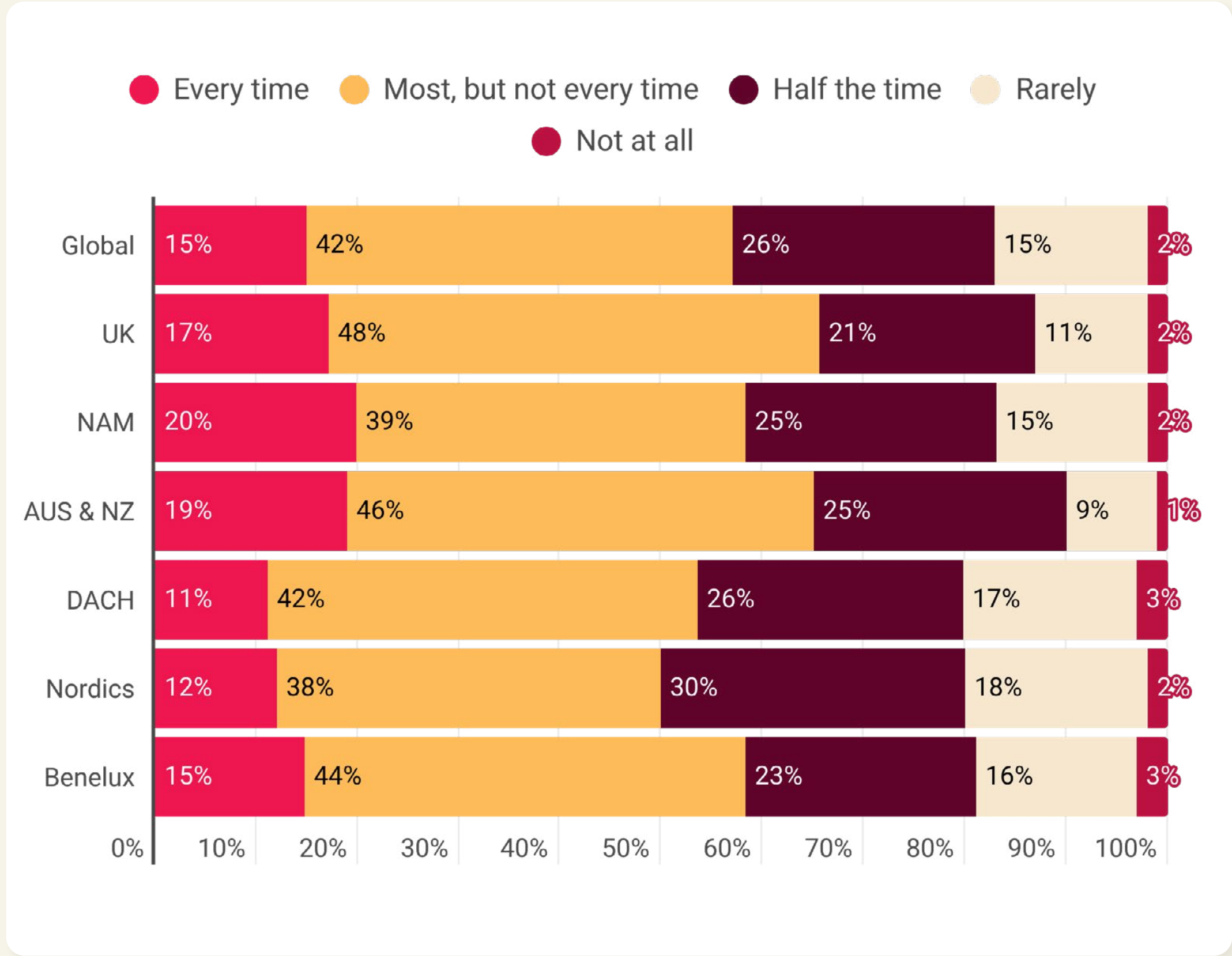
This Stitching Tax systematically converts managerial time into overhead and shapes how decisions are made, often emphasizing speed over quality: **62%** admit that when accessing the right people or finance data takes too much effort, they sometimes rely on an educated guess rather than miss a deadline (*Graph 6*).

📍 The Nordics stand out on the educated-guess trade-off (**54% vs 62% global**), suggesting a stronger norm of precision even at the cost of speed. Across regions, the pattern remains consistent. Scattered evidence correlates with lower decision quality and weaker defensibility.

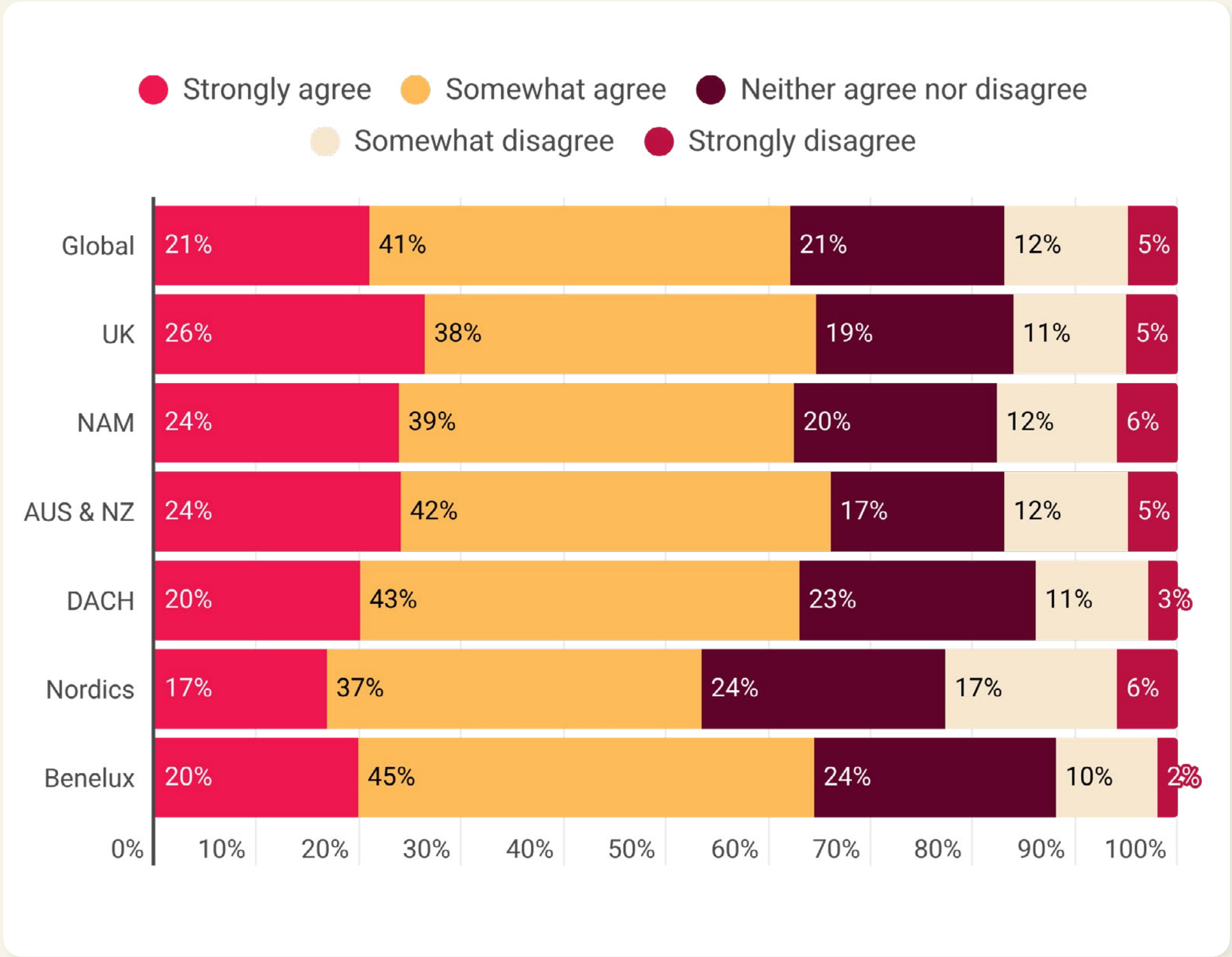
Graph 4: On average, how much time do you spend assembling data across systems before making people decisions?



Graph 5: When making people decisions, how often, if at all, does moving between different tools or spreadsheets slow you down?



Graph 6: When getting the right people or finance data would be a hassle, I opt for an educated guess over missing a deadline



3 The core blockers: Misalignment, inconsistency, and constrained access

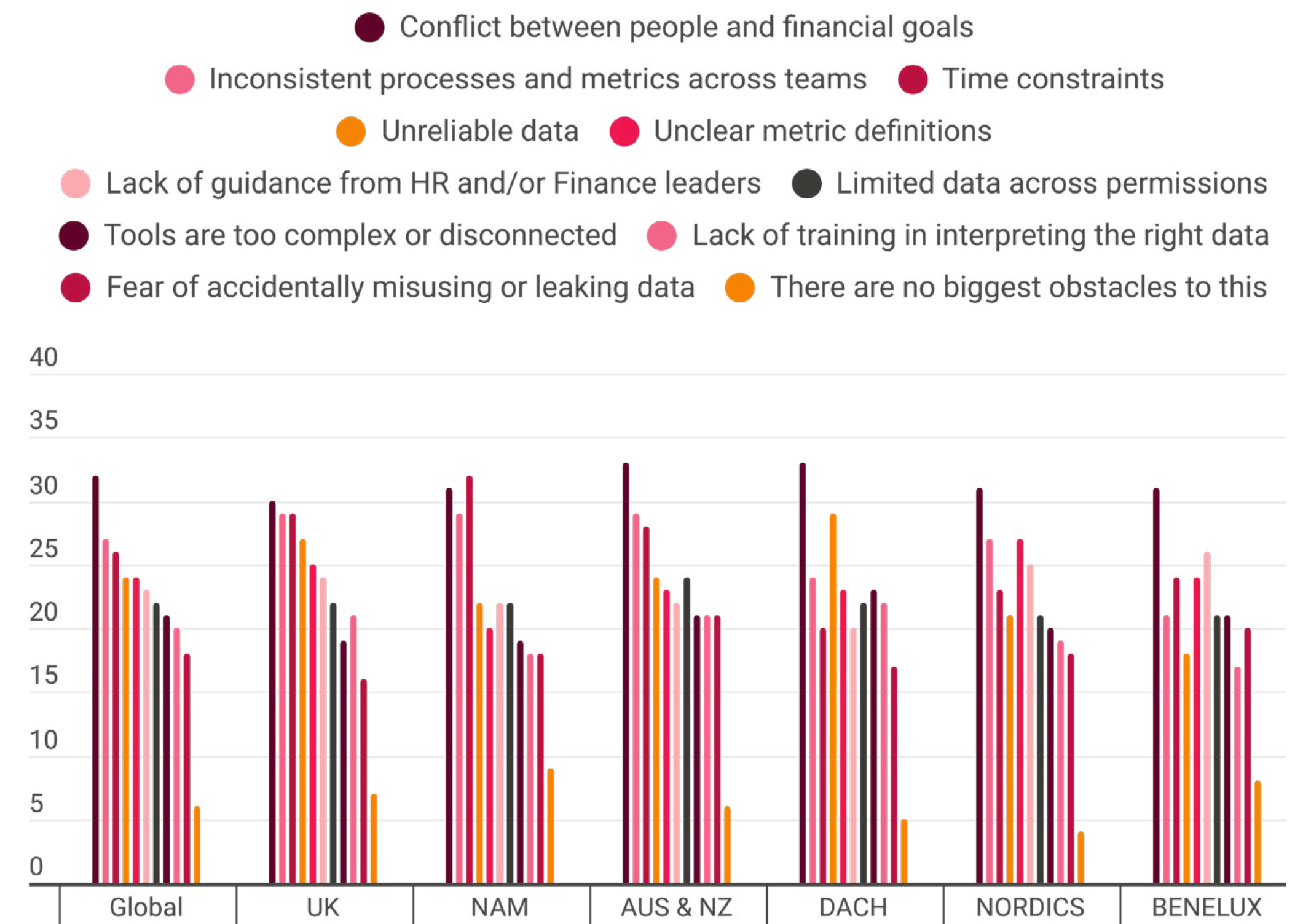
When managers describe what most complicates fair and financially responsible people decisions, they point first to systemic frictions rather than personal capability, with conflict between people and financial goals (**32%**) topping the list.

Organizations often set ambitious goals for supporting their people while operating within tight financial boundaries. In practice, managers may move forward based on the path of least resistance, then revisit those decisions as financial realities become clearer.

Conflicts like this matter to business leaders because these dynamics point to organizational design factors—misalignment between goals, inconsistent standards, and constrained access—rather than gaps in “manager capability.”

As a result, organizational design pressures shift managers from making good decisions to helping people and teams navigate the decision-making process itself. This does not diminish the

Graph 7: What, if anything, are your biggest obstacles to making fair, data-driven people decisions? (Select up to 3)



importance of manager development. The data suggests that focusing on manager capability alone will not, on its own, resolve these difficulties (**Graph 7**).

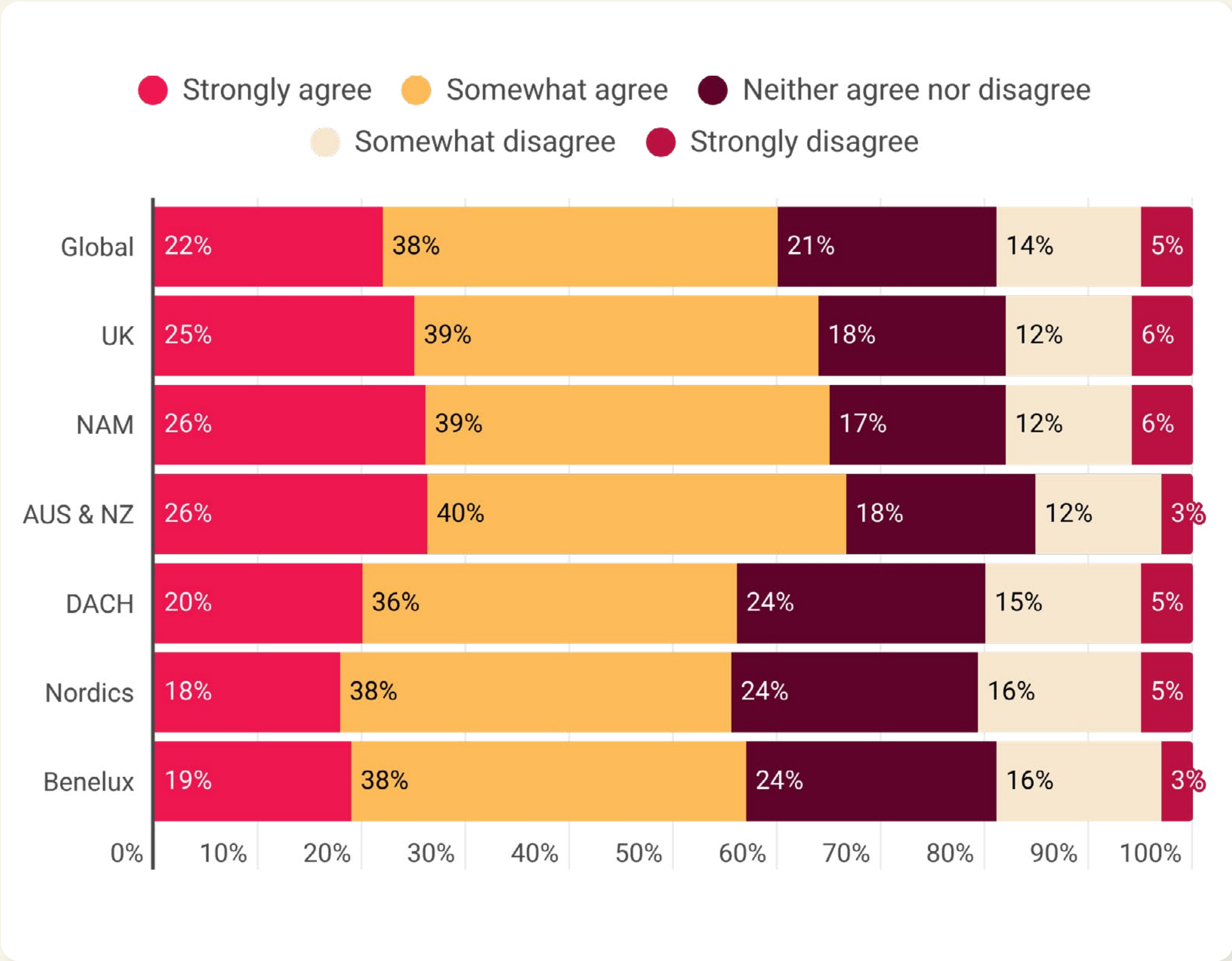
Other findings help explain why variance persists even in mature organizations: While **77%** report timely access to HR data and **74%** to finance data overall, **61%** say permissions or privacy rules limit access to the data they need in specific situations. This suggests access varies by use case and that edge cases remain harder to resolve (**Graph 8**).

📍 Regionally, these challenges appear across all markets, though the most prominent barriers vary by region (**Graphs 9 and 10**).

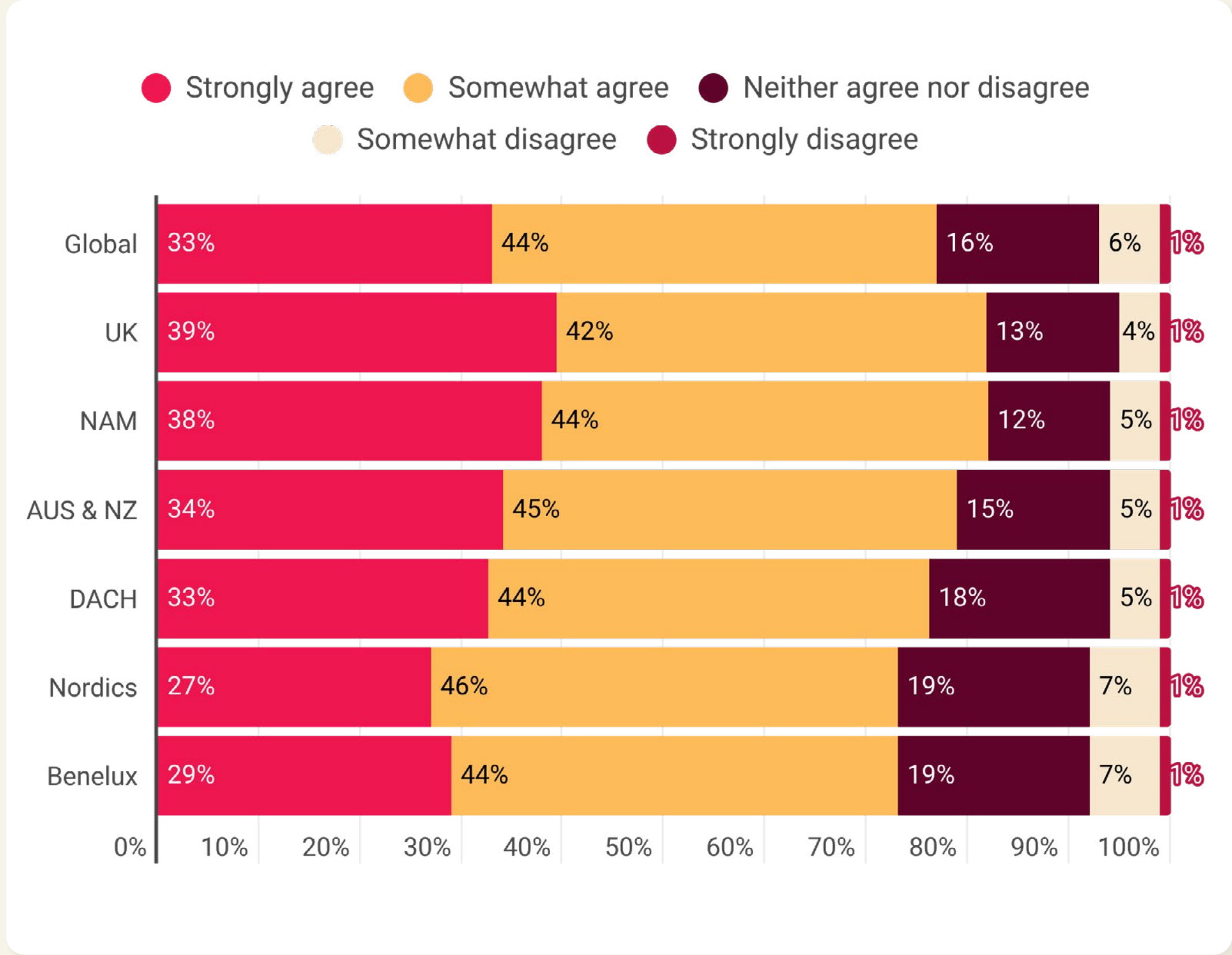
Time constraints are felt more acutely in NAM (**32%**) than DACH (**20%**), Benelux reports less concern about inconsistent processes (**21%**) and data reliability (**18%**), while DACH expresses above-average doubts about reliability (**29%**).

These regional differences highlight where leaders should focus their attention—on workflow speed in some markets, and on data reliability and standardization in others—while still solving the same underlying operating-system challenge.

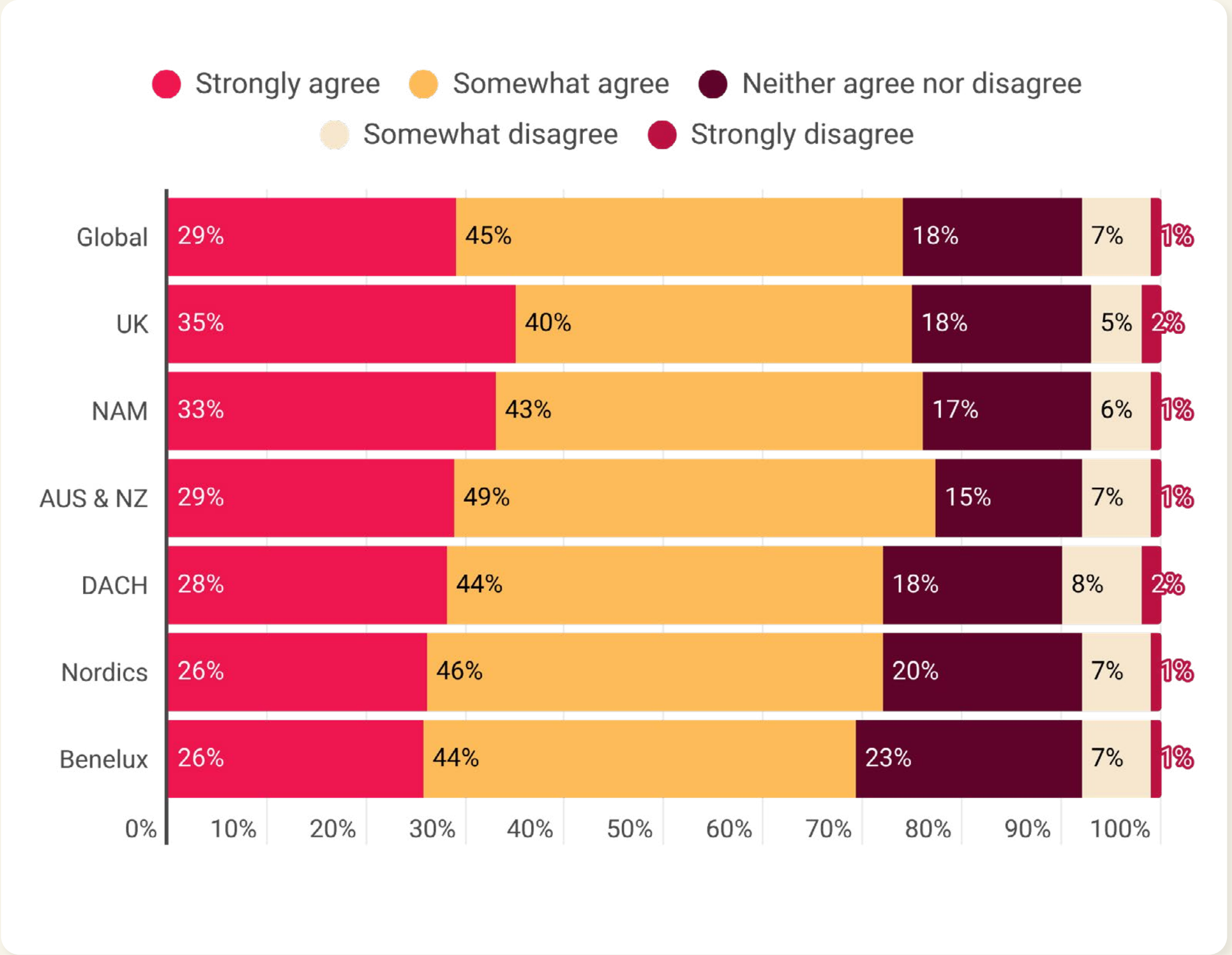
Graph 8: Role permissions or privacy rules limit my access to data I reasonably need



Graph 9: I have timely access to the HR data I need for fair people decisions



Graph 10: I have timely access to the finance data I need for frugal people decisions



4 The “fair + frugal” tension point: When values collide

When managers weigh uncertain decisions on raises and promotions, they split almost evenly between prioritizing financial discipline (**54%**) and recognizing contributions (**46%**). This pattern reflects how, in ambiguous situations where HR outcomes and budget constraints are not jointly visible, decision priorities vary widely.

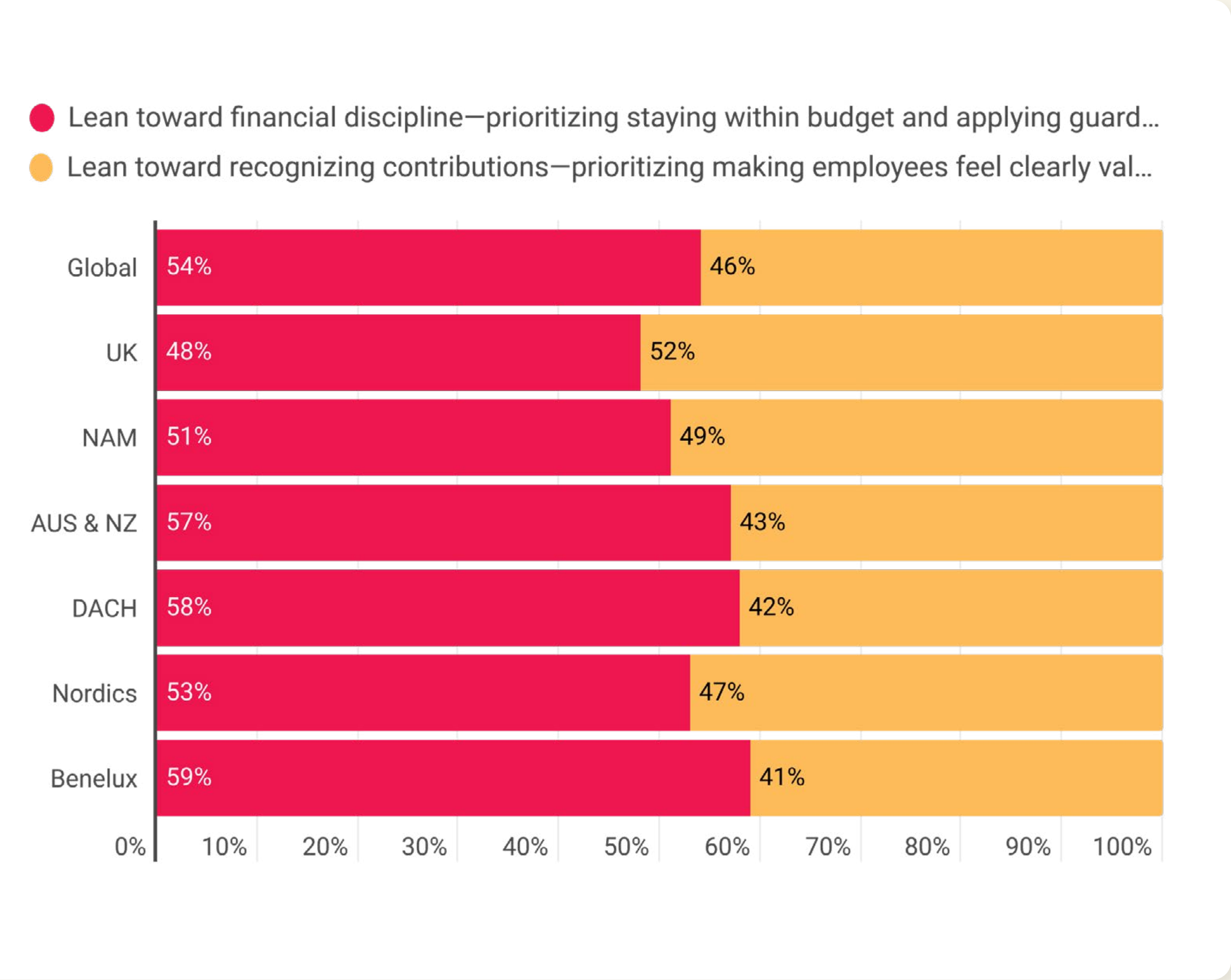
In moments like these, culture and cost controls collide in the absence of shared guardrails. Small differences in manager judgment can translate into meaningful variation in perceived fairness, retention of high performers, and pay equity risk.

📍 Regional patterns underscore how quickly this variation can spread across global organizations (US/Canada near-even at **51/49**, Benelux more frugal at **59/41**, while the UK favored recognition at **48/52**).

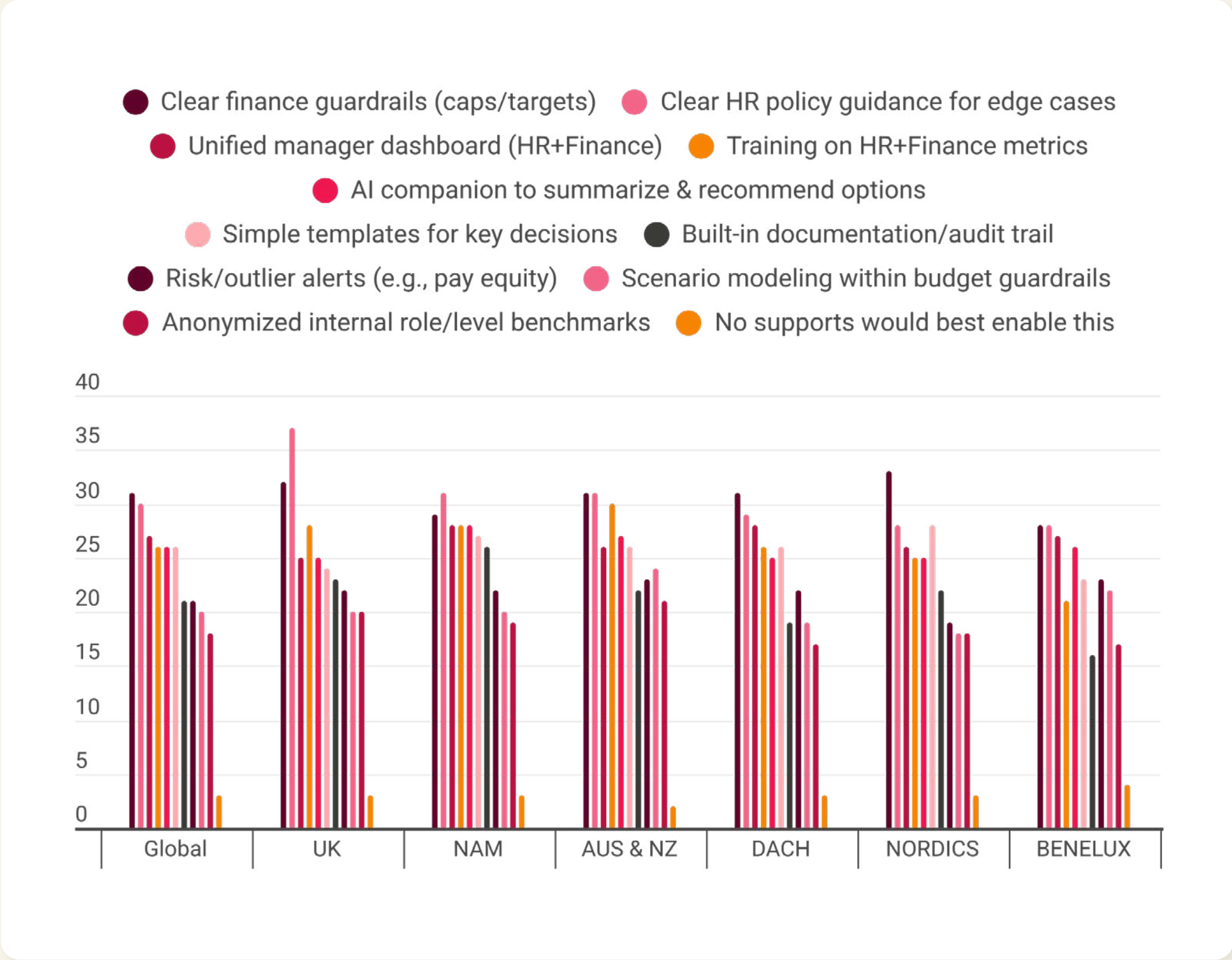
This dynamic highlights the criticality of decision design vs. relying solely on value statements—scenario options, budget guardrails, and shared definitions of what “best possible” looks like—in shaping outcomes when the right answer is not obvious.

In fact, our research shows that managers most often cite clear finance (**31%**) and HR (**30%**) policy guidelines as the most requested support for making fair, data-driven decisions (***Graphs 11 and 12***).

Graph 11: When you're unsure about the "right" decision on a raise or promotion, which way do you prefer to lean?



Graph 12: Which supports, if any, would best enable you to make fair, data-driven people decisions? (Select up to 3)



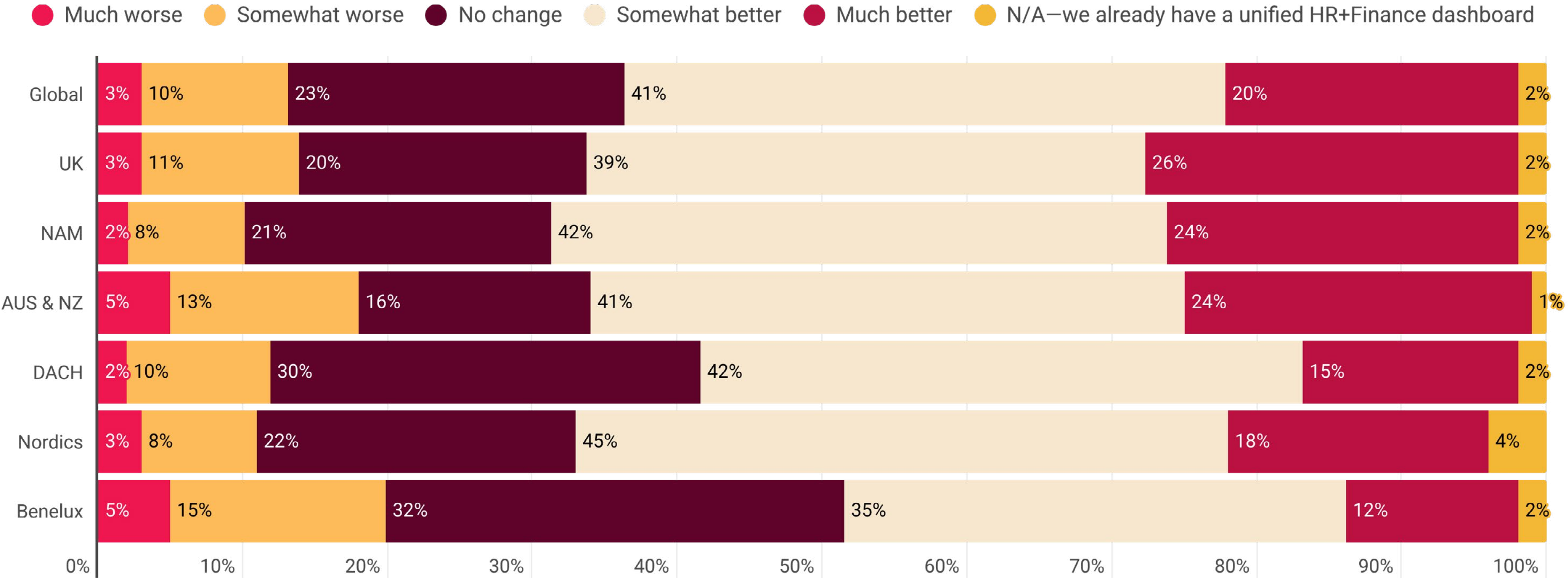
5 Unified HR+Finance visibility: Rare today, powerful in practice

Managers describe a unified **HR and Finance** context at the point of decision as a meaningful lever. In our survey, **61%** of respondents say a unified HR+Finance dashboard would improve decision fairness, and **79%** say it would help them manage fairly and effectively. However, only **2%** report having access to such a dashboard today (***Graphs 13 and 14***).

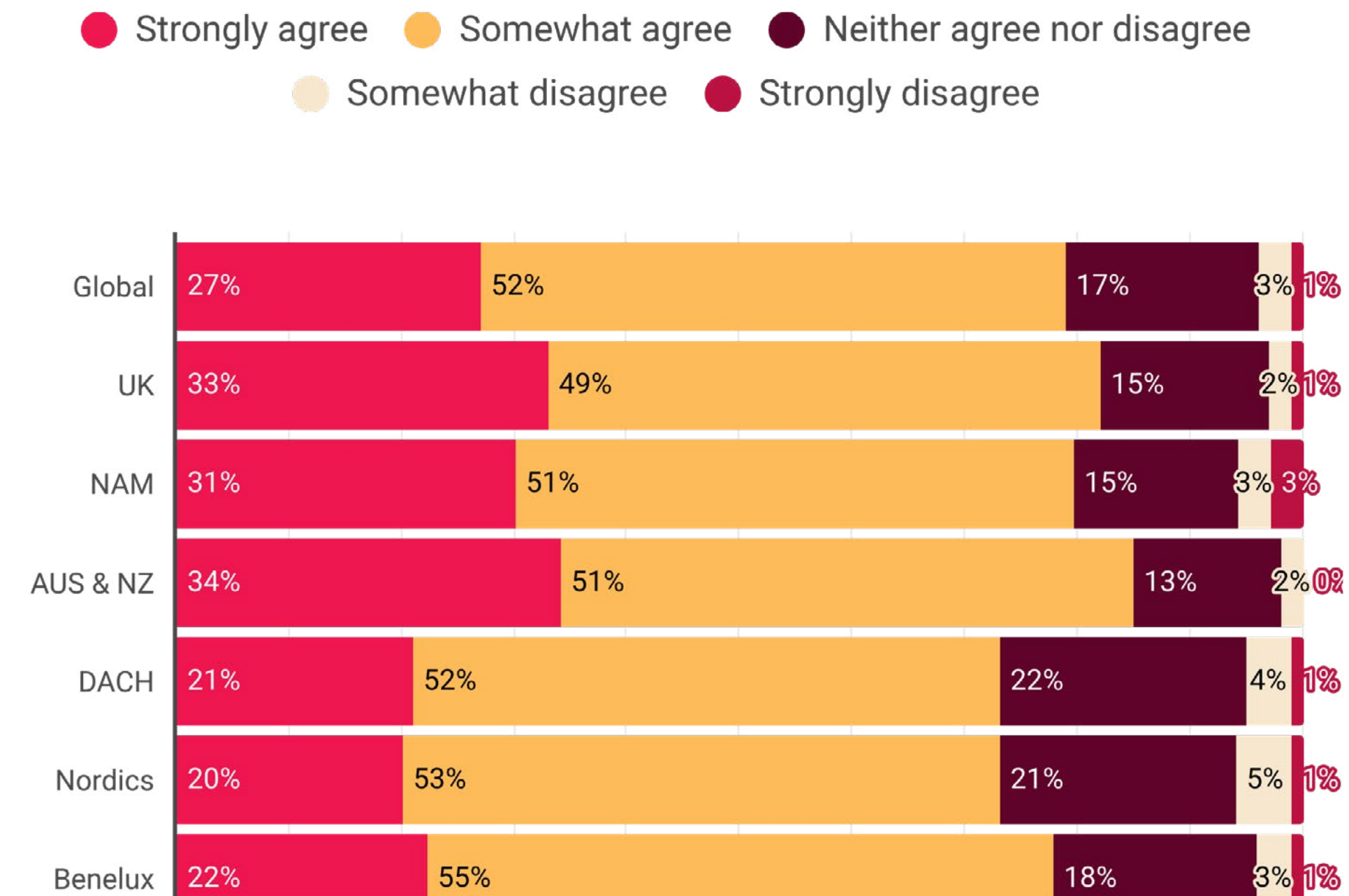
For business leaders, this contrast accentuates a clear “value vs. availability” gap that creates avoidable operational risk. Organizations continue to raise expectations around fairness and accountability while leaving managers to reconcile mismatched data sources and definitions on their own throughout the decision-making process.



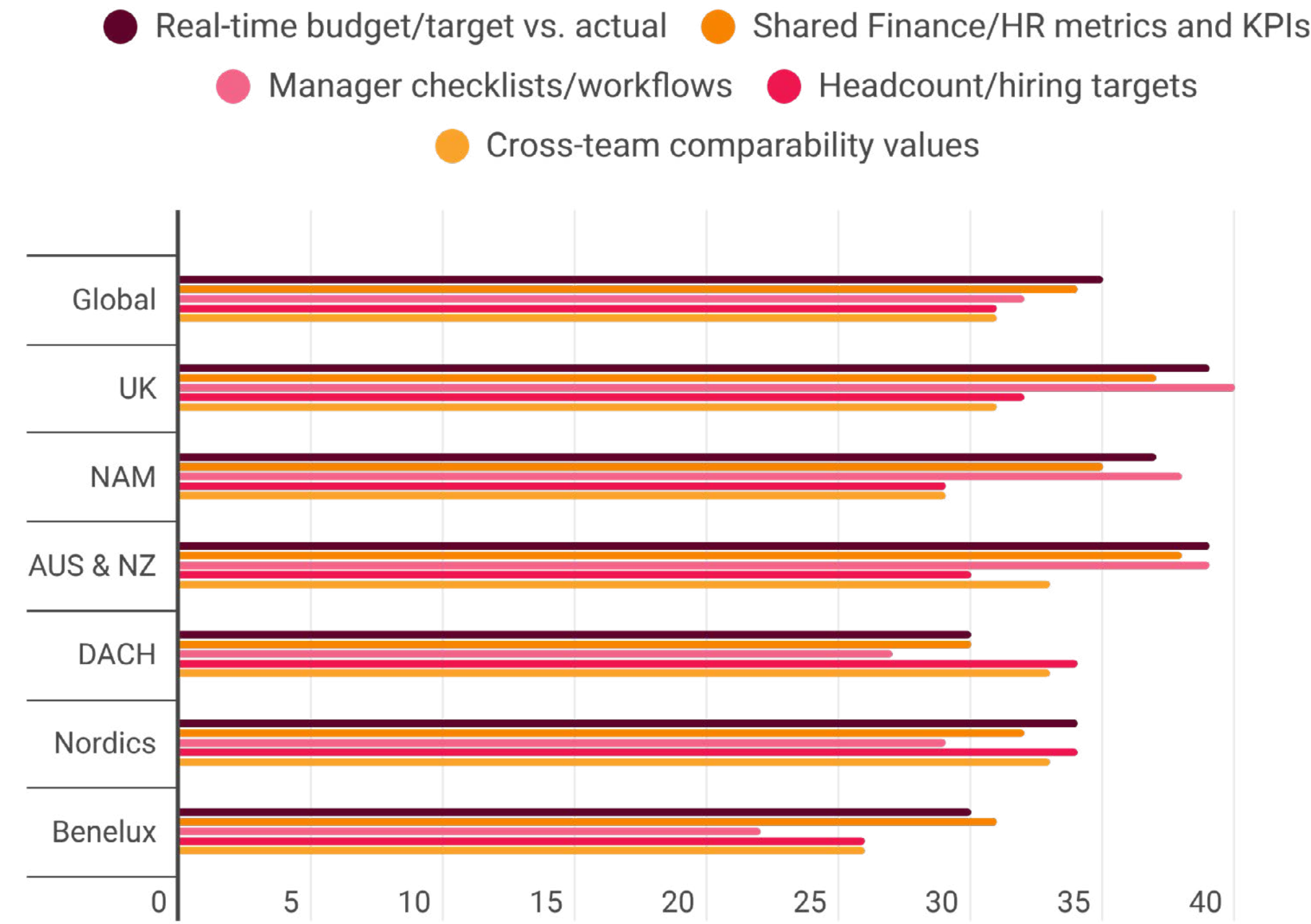
Graph 13: If you had a unified HR+Finance dashboard, the fairness of your people decisions would be ...



Graph 14: To what extent do you agree or disagree with the following statement?
A single, shared HR + Finance dashboard would help me to manage my team fairly and effectively.



Graph 15: Global top 5 responses to “To be effective, a single, shared HR+Finance dashboard must offer ...” (Select all that apply)

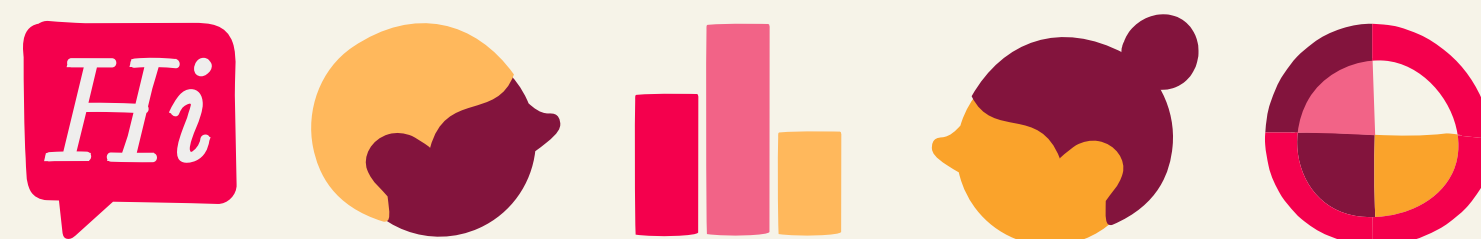


Importantly, managers describe a need for decision controls rather than cosmetic reporting, including real-time budget target vs. actual (**35%**), shared HR/Finance KPIs (**34%**), manager checklists/workflows (**32%**), and headcount targets (**Graph 15**).

📍 As with the challenges, the most highly rated tools vary somewhat by region. Interest in workflow/checklist structure is higher in the UK/NAM/AUS & NZ cluster (**38-40%**) than in DACH (**27%**), the Nordics (**29%**), and Benelux (**22%**).

This distinction suggests that organizations operating in structured environments may prioritize visibility and comparability over additional process scaffolding.

What does this mean? Across regions, the findings consistently position a unified, decision-ready context as a lever for governance and speed.



6 Decision contestability is the norm

Challenges and appeals now shape a large share of people decisions. Across every major people decision domain, roughly **74-76%** say at least some decisions were challenged in the past year, and about **54-56%** say at least about half were challenged (**Graph 16**).

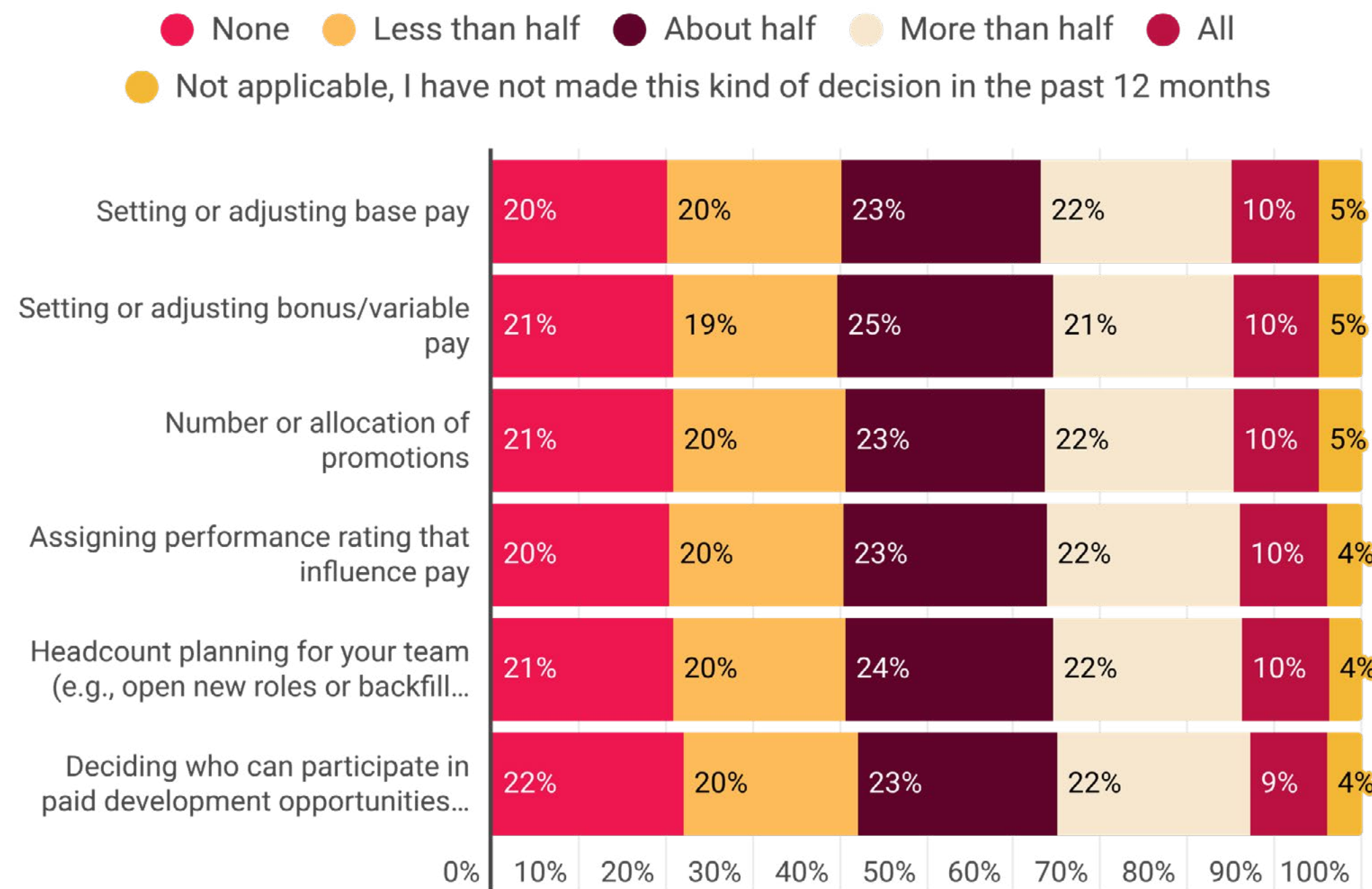
This level of contestability reflects an environment where the regular review, questioning, and revisiting of decisions is the norm. Environments like this place sustained pressure on managers.

Frequent challenges to real-time decisions built on fragmented data that requires manual data stitching show up repeatedly in **wellbeing studies** as drivers of elevated manager stress and burnout.

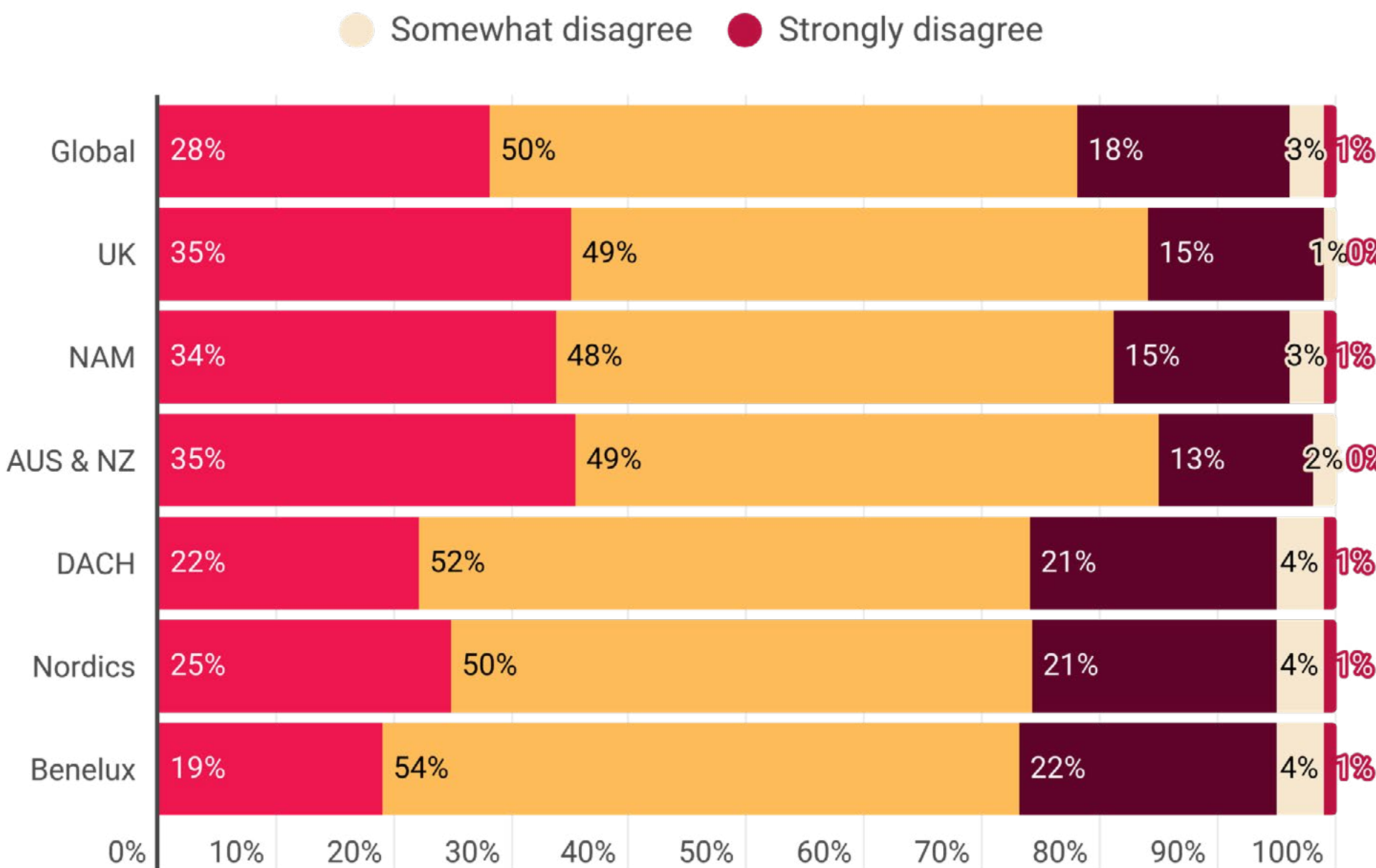
Businesses that support clarity and defensibility help reduce the time managers spend revisiting and explaining decisions, thereby reducing stress and improving wellbeing. Reflecting this need, **79%** say unified HR+Finance data would make them more confident defending decisions in pay-transparency or legal contexts (**Graph 17**).

📍 Managers in the US and Canada report the heaviest burden, with NAM almost twice as likely as other regions to report that all their people decisions were challenged (**~15% vs ~7%**).

Graph 16: In the past 12 months, what proportion of your decisions in the following areas, if any, were formally challenged or appealed?



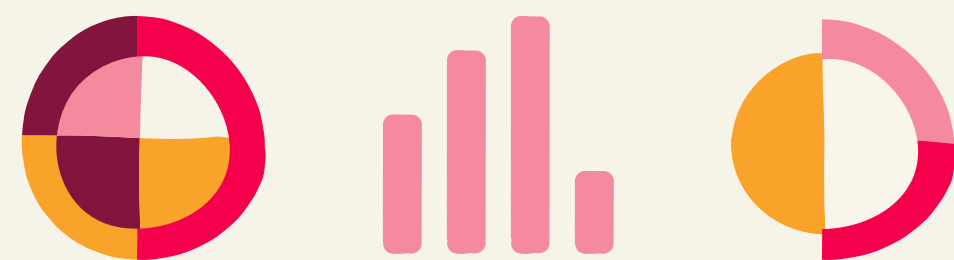
Graph 17: With unified data, I would feel more confident defending my decisions in a pay-transparency or legal context



7 The cost of missing or conflicting data

Negative outcomes show up frequently when managers work with missing or conflicting information. In fact, **68%** say it leads to slower, less fair, or less cost-effective decisions at least half the time (**Graph 18**).

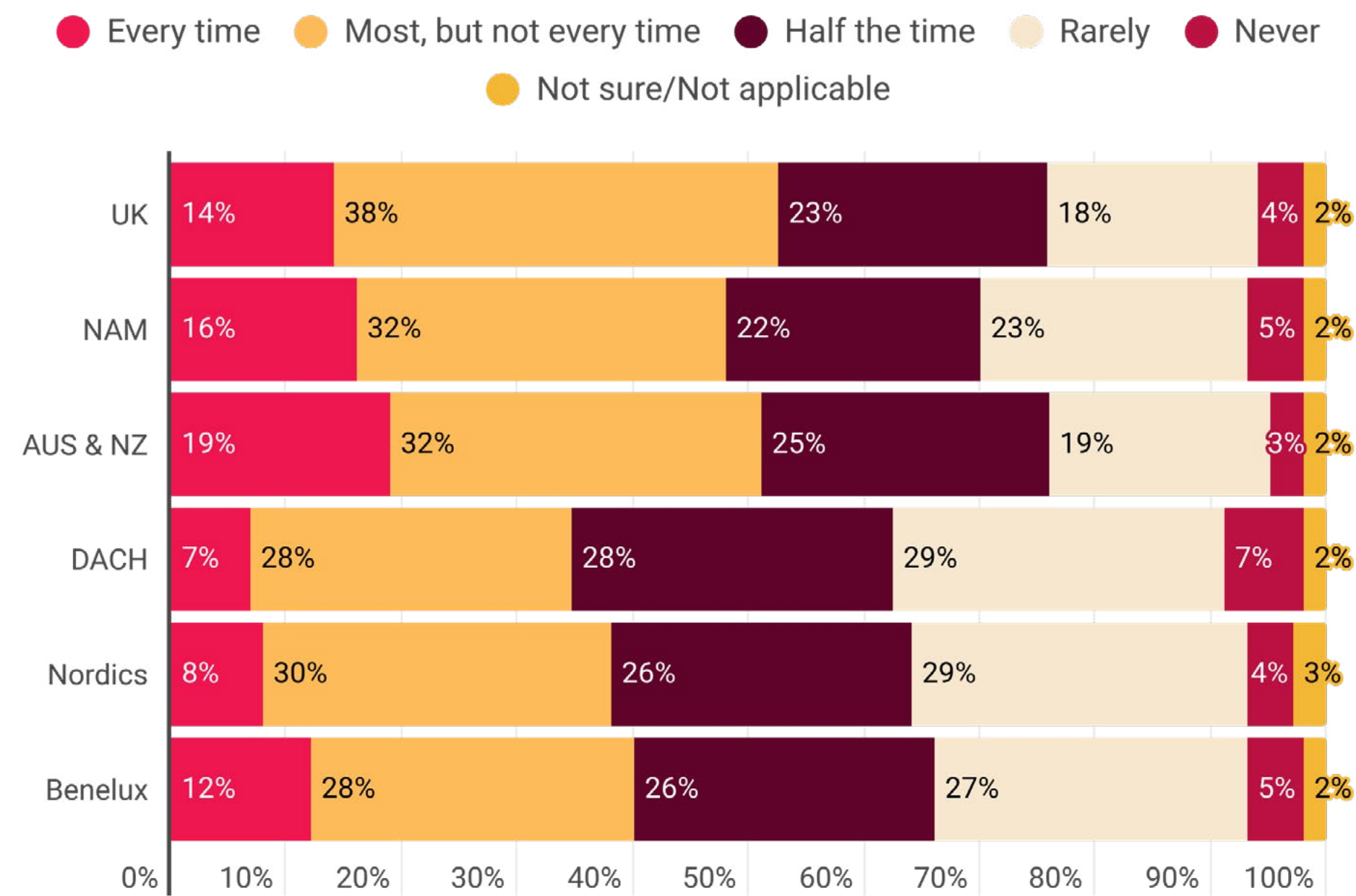
Among managers encountering these challenges, missing or conflicting data plays a significant role in negative outcomes—moderate or greater more than half the time (**57%**), and a large or very large role more than a quarter (**28%**) of the time (**Graph 19**).



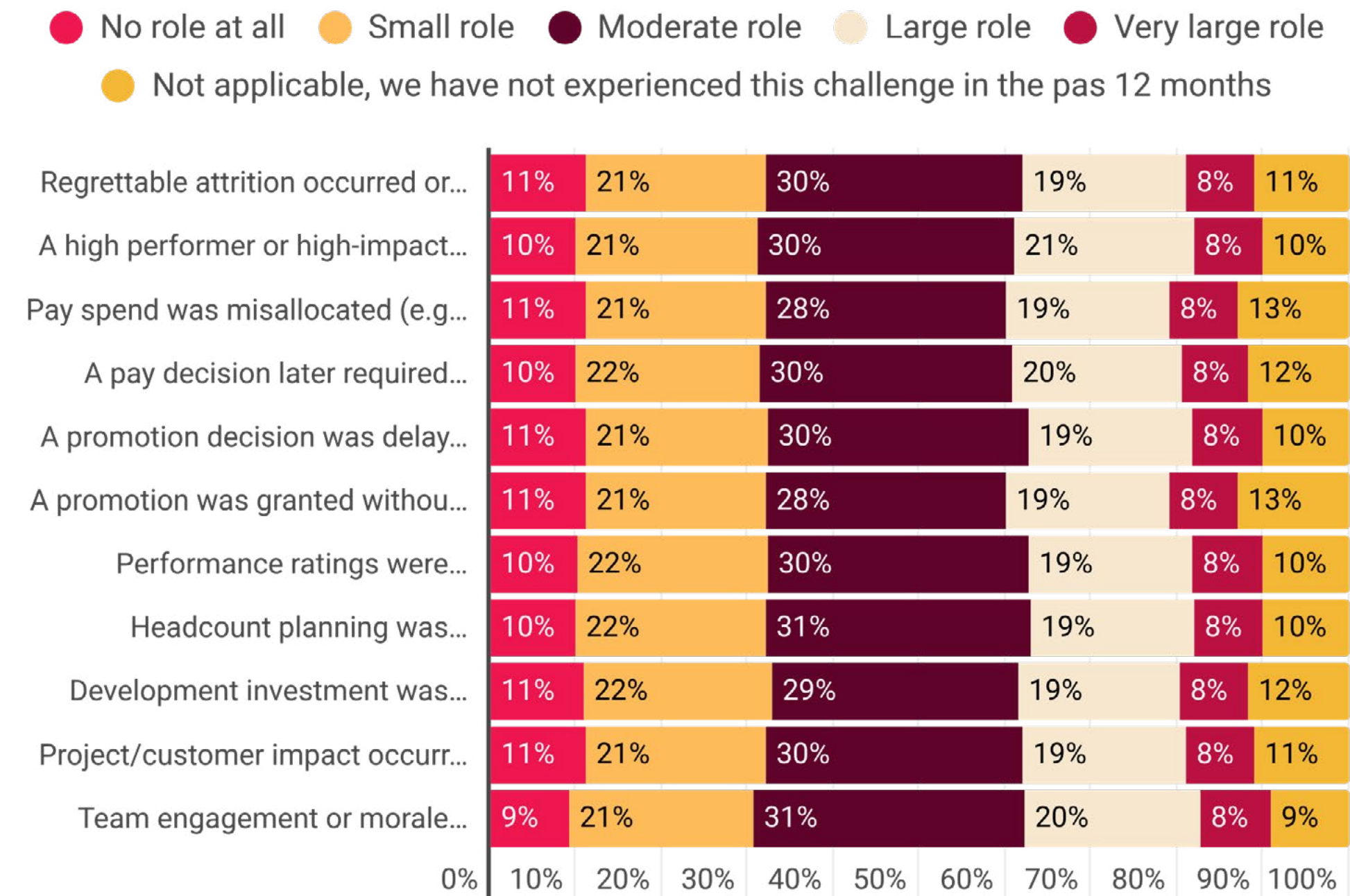
Fragmentation creates a two-part cost curve. It increases the likelihood of outcomes that require correction (e.g., underpaying or under-recognizing high performers, **engagement** and morale declines from perceived unfairness, pay decisions requiring later correction, and performance ratings misaligned with contribution). It also increases the organizational effort required to address those outcomes through exceptions, reactive adjustments, and rework.

In practice, team members experience these effects as fairness and opportunity rather than as “systems issues,” which links data fragmentation directly to retention, productivity, and trust.

Graph 18: When making people decisions over the past 12 months, how many times did a lack of relevant data or timely people or financial data contribute to a meaningfully negative outcome for your team?



Graph 19: Thinking about those situations in the past 12 months, how big of a role, if any, did the lack of timely information play in creating the following challenges for your team?



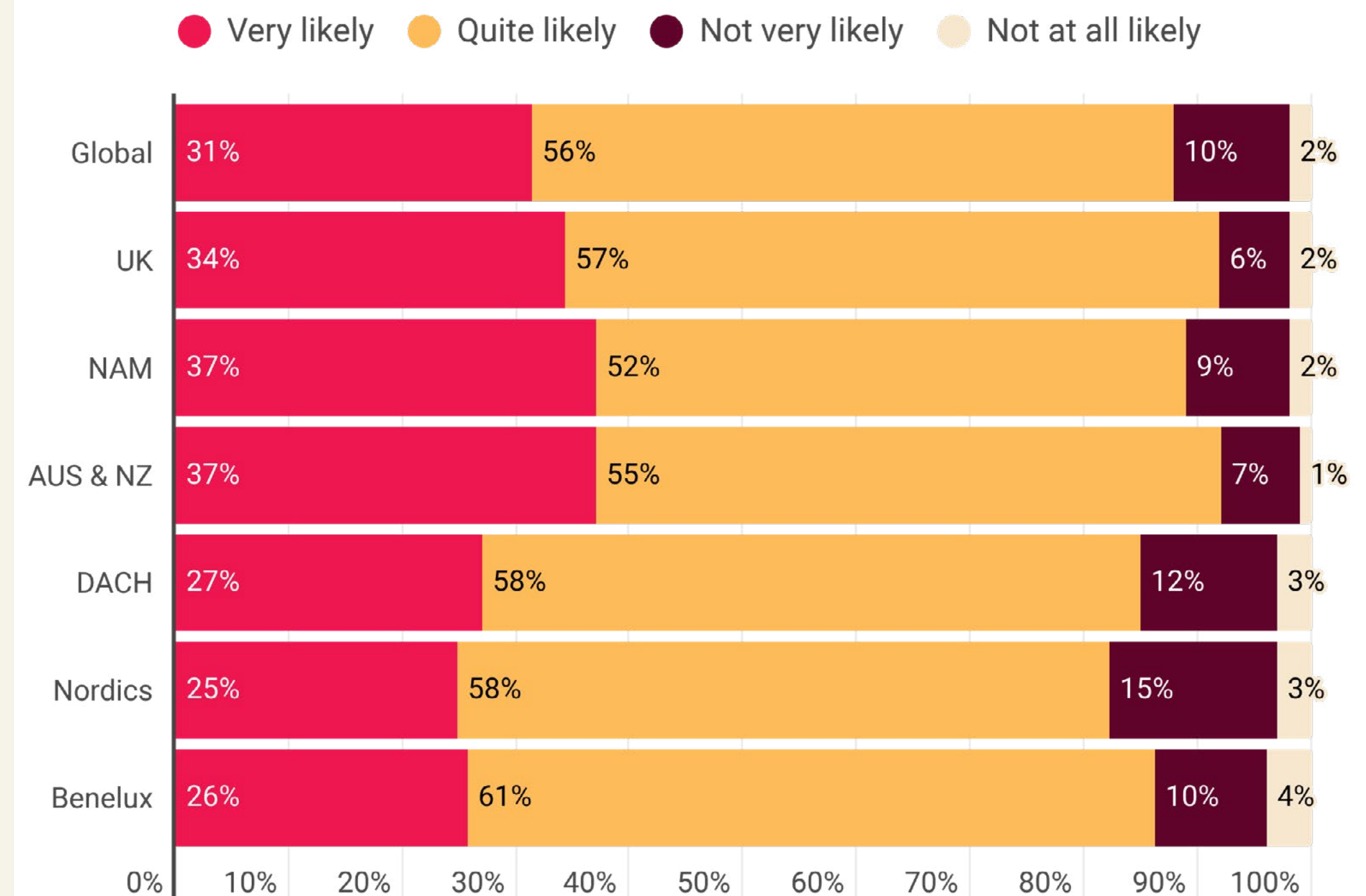
8 AI as a manager co-pilot

Managers express a strong interest in AI decision support when it reduces effort and consolidates context. **Eighty-seven percent** say they would likely use an AI companion that summarizes relevant data and suggests options, and **61%** say they would use a “black box” recommendation engine (**Graph 20**).

📍 **But this interest comes with clear conditions around governance and control.** Managers consistently point to human review and override as the most important overall concern and across regions, like NAM, AUS & NZ, Nordics, and Benelux.

In the Nordics, strong privacy safeguards tied with human override are considered the most important.

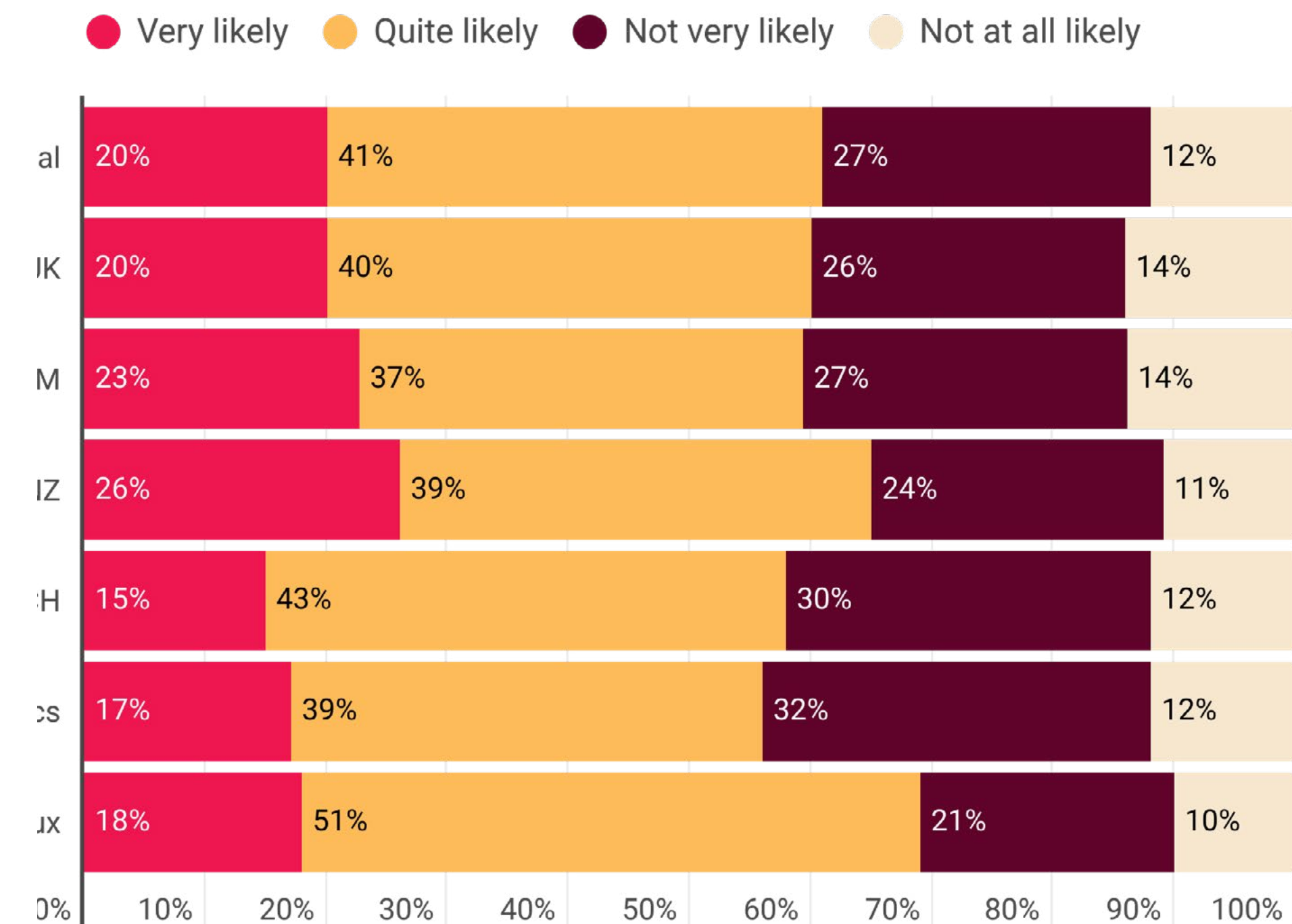
Graph 20: If an AI companion summarized your team’s HR+Finance data and made recommendations on people decisions (e.g., pay, promotion, or development opportunities), how likely, if at all, are you to use it?



In the UK, managers prioritize HR- and Legal-approved policy guardrails, while in DACH, auditable decision logs rank highest.

Taken together, the consistent leadership takeaway is that governed AI, paired with unified data and visible constraints, is the model managers are most willing to adopt, rather than standalone automation (**Graphs 20 and 21**).

Graph 21: How likely, if at all, would you be to use a “black box” AI with no explanation of inputs/weights?



Manager voice: What fragmentation looks like in real life

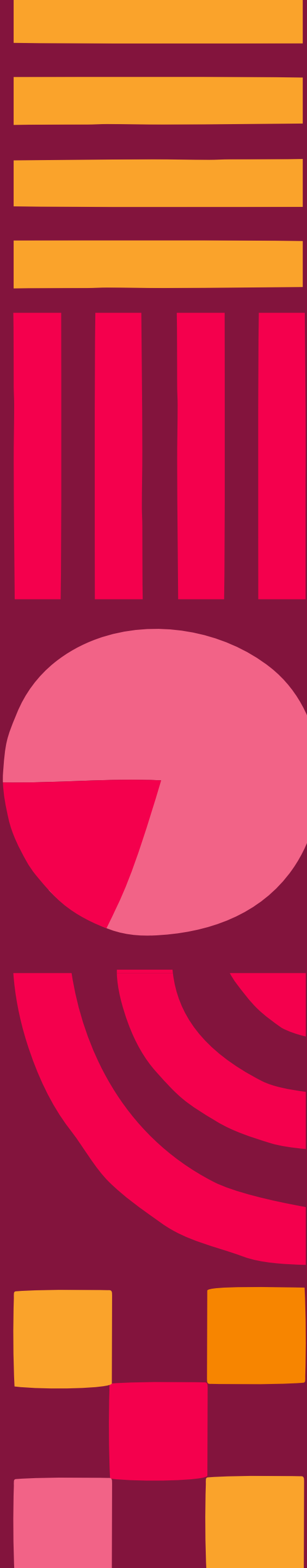
For business leaders, these qualitative signals are important because they translate the data into lived experience. Manager comments bring an often abstract “Stitching Tax” into focus with descriptions of real, operational impact (e.g., delayed hiring and promotions, inconsistent pay for comparable work, misaligned performance evidence, and contested approvals).

A deserving candidate wasn't offered the right pay hike, and ultimately, the candidate left the organization for better opportunities elsewhere.

I [can] remember vividly when a people decision was delayed because customer data from different systems didn't align, forcing multiple manual checks before acting.

When giving a promotion to a senior advisor, missing data accounted for a 10 percent less raise [than] he would have gotten if I had the correct data.

Two people were hired for the same role and [there] was only one position available due to [a] software error [and] conflicting data. [B]oth were offered the position.



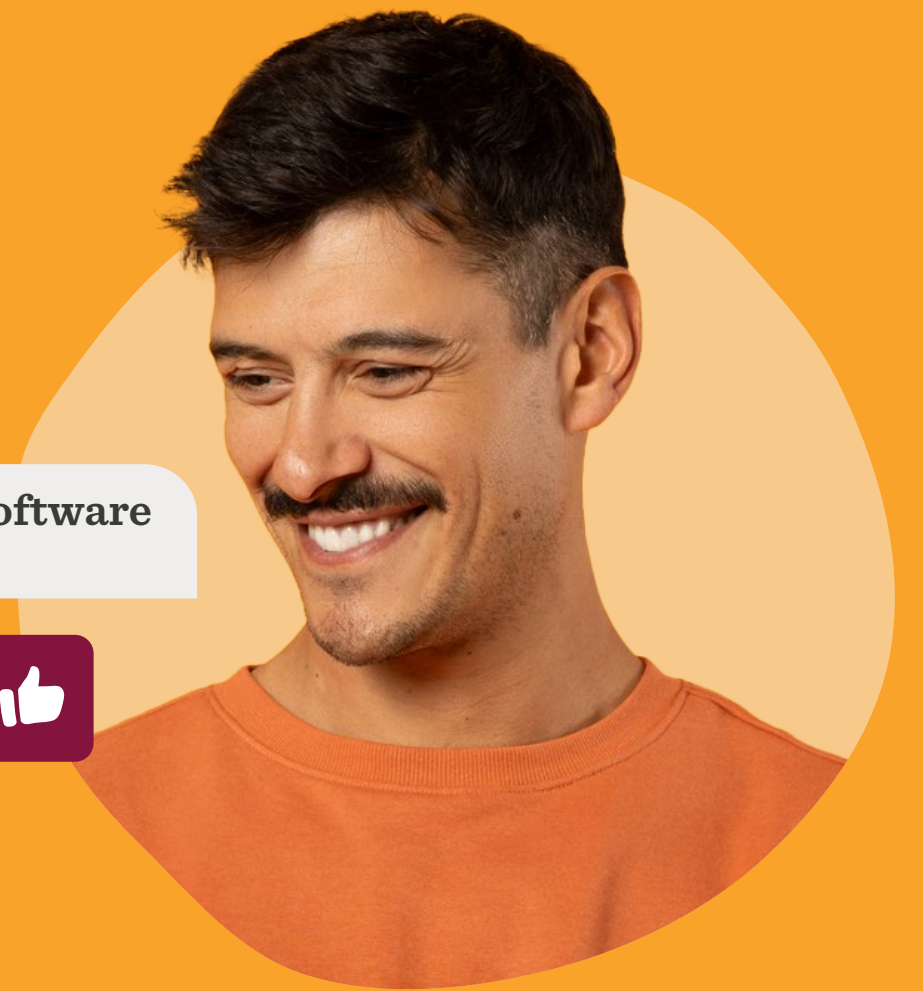
Trying to create a new role and determining which employee would fit it. Upper management challenged the data I put together. AI would have been a more neutral option.



These comments also reinforce that the “day-one win” of a unified dashboard plus a trustworthy AI companion is speed with confidence: decision-ready summaries, budget alignment without spreadsheet work, and auditable rationales that reduce rework and appeals.

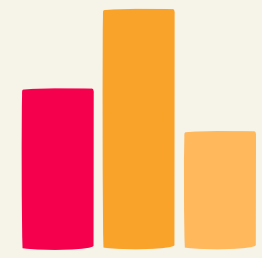
While some respondents express caution about AI, their concerns consistently point to the same solution requirements the quantitative data identified—explainability, governance, and controlled access—which should be treated as adoption enablers, not barriers.

“No more software errors...”



“Gread news”





Implications for HR and Finance leaders

Across countries, managers describe a consistent pattern: People and finance data is fragmented, outdated, or not comparable across teams. This fragmentation forces manual reconciliation across HR systems, finance views, spreadsheets, and informal trackers, slowing decisions and shaping downstream perceptions of fairness that harm morale and retention.

Taken together, the findings show that organizations hold managers accountable for fairness, cost discipline, and defensibility, while working with operating systems that are often assembled manually and inconsistently. This gap converts intent into variance and creates predictable risk, like more rework, more contested decisions, and avoidable negative talent outcomes.

For HR and Finance leaders, the research points to a strategic focus on modernizing decision infrastructure rather than simply demanding better judgment.

This includes:

1. Investing in a single source of truth that links people realities to financial constraints (budget vs. actuals, run-rate impact, headcount targets)
2. **Standardizing definitions** and metrics to support meaningful comparability across teams
3. Embedding workflows that produce documentation and audit trails by default
4. Deploying AI as governed augmentation—supported by human review, guardrails, explainability, privacy, auditability, rather than “AI for AI’s sake”

Organizations will experience these strategic shifts as reduced decision regret, faster execution without increased risk, and stronger employee trust in the fairness and consistency of how employers allocate opportunity and rewards.

Conclusion

While questions often focus on managers' capabilities, **this study shows that managers are already trying to deliver budget-smart and people-fair outcomes.**

At the same time, many organizations still force HR and finance data to meet only at the last mile—through spreadsheets, manual checks, and informal coordination—creating measurable time loss, inconsistent decision criteria, and predictable negative outcomes that later require correction or defense.

The findings point to the value of treating unified HR+Finance visibility at the manager decision point as a performance upgrade rather than a reporting enhancement.

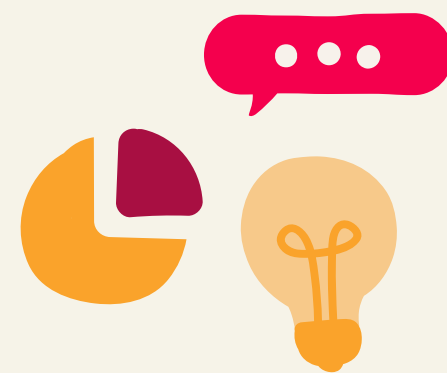
When organizations take this approach, it reduces decision friction, improves comparability, strengthens documentation and defensibility, and creates the conditions for governed AI that managers will gladly adopt, ultimately lowering regret, rework, contestability, and talent loss while increasing speed with confidence.



Meet Bob

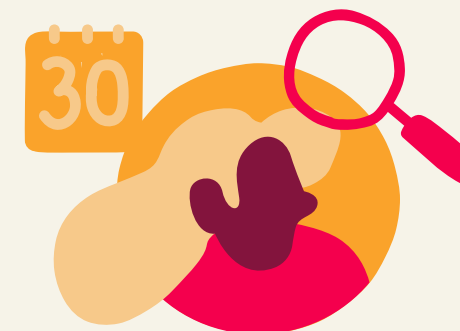
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