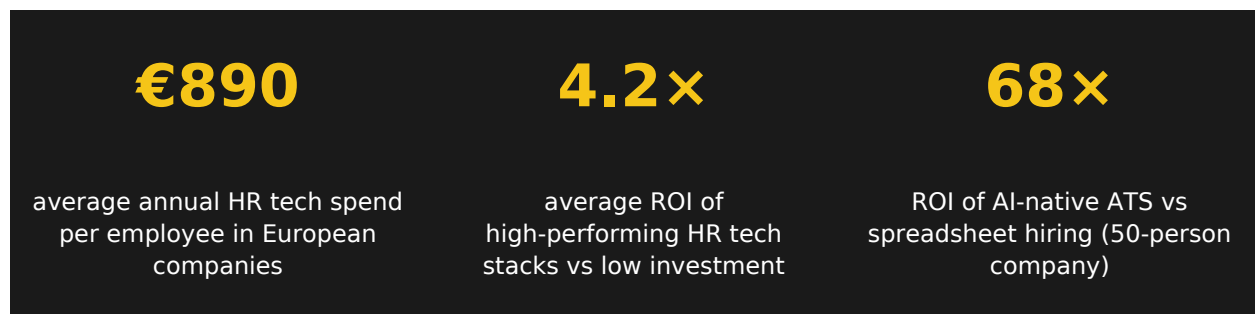


HR RESEARCH SERIES 2026 - REPORT 8 OF 10

# HR Technology ROI: The CFO's Guide 2026

How to build investment cases that get approved — with European benchmark data and financial frameworks.

HR technology is one of the most under-invested categories in the corporate technology budget — and simultaneously one of the highest-ROI investments available. The disconnect is caused by measurement failure: most organisations track HR tech as an expense and fail to quantify what that technology generates in productivity, quality, compliance and talent outcomes.



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This report provides the framework and data to close the measurement gap and make the investment case CFOs will approve.

## The HR technology investment asymmetry

People are 60–80% of operating cost in knowledge-intensive organisations. Yet HR tech budget is typically less than 1% of people costs — orders of magnitude lower than sales, marketing or finance technology spend per employee.

Function	Avg annual spend per employee	ROI measurement status
IT / infrastructure	€4,100	Uptime + security: measured
Marketing technology	€3,200	Pipeline attribution: tracked
Sales technology (CRM)	€2,800	Revenue: directly measured
Finance technology (ERP)	€2,100	Compliance + efficiency: measured
Customer service tech	€1,900	Cost reduction + CSAT: tracked
<b>HR technology</b>	<b>€890</b>	<b>People outcomes: rarely measured</b>

## What the average European company spends

HR tech category	Average EU spend / employee / year	Insight
HRIS / Core HR	€280	Highest spend, often lowest ROI
Applicant Tracking System	€180	Critical strategic lever; majority underinvest in AI quality
Learning & Development	€150	Rising with skills gap urgency
Performance Management	€95	Most tools underutilised
Workforce Planning Analytics	€60	Significant gap vs strategic importance
Engagement Tools	€55	Often overlapping with performance
<b>Total stack average</b>	<b>€890</b>	Range: €310–€4,200

## ROI by HR technology category

HR technology	Average ROI	Primary value driver
AI-native ATS	68x vs spreadsheets / 4.2x vs traditional ATS	Cost + quality + compliance + speed
Workforce Analytics	6.3x	Predictive attrition; strategic planning
Learning Management System	5.7x	Faster skills development
Onboarding Technology	4.6x	Time-to-productivity + retention
Engagement Platform	4.1x	Turnover reduction
Performance Management (modern)	3.8x	Better alignment
Benefits Administration	2.4x	Process efficiency
Payroll Modernisation	2.1x	Error reduction + compliance
Traditional HRIS	1.8x	Compliance only; minimal talent impact

## The hidden costs nobody counts

- **Implementation and onboarding:** €5,000–€45,000 — usually excluded from initial budget.
- **Data migration and cleaning:** €3,000–€18,000.
- **Integration development:** €4,000–€25,000 per integration, per direction.
- **Training (initial + ongoing):** €2,000–€8,000 + €800–€3,000/year.
- **Internal IT resource:** €6,000–€20,000/year.
- **Productivity loss during transition:** €8,000–€30,000.
- **Compliance maintenance (GDPR + AI Act):** €3,000–€15,000/year and growing.
- **Switching cost (amortised):** €4,000–€12,000/year.

## Building a CFO-proof business case

- **Current-state cost quantification** — direct + indirect + bad-hire + vacancy costs.
- **Future-state projection** using benchmark reduction factors. Be conservative.
- **Risk quantification** — GDPR exposure, AI Act non-compliance (€20M / 4% global turnover), talent failure cost.
- **Payback period** — under 12 months approved without challenge. AI-native ATS often achieves <30 days for 50+ employee companies.
- **Sensitivity analysis** — show case at 25% lower benefits in both directions.

## Measuring HR tech ROI in practice

ATS / Recruitment Tech: track time-to-fill, cost-per-hire, offer acceptance, source quality, bad-hire rate, candidate NPS — monthly. Workforce Analytics: attrition prediction accuracy, plan vs actuals, cost per productive hire — monthly.

## Procurement and evaluation framework

- **Step 1 — Requirements:** define business outcomes, not features. Quantify current baselines.
- **Step 2 — Market scan:** screen on compliance-first criteria before features. Require TCO disclosure.
- **Step 3 — Structured evaluation:** controlled pilot with live data, not vendor demo data.
- **Step 4 — Financial validation:** full TCO, payback, 3-year NPV, stress-test at 50% of expected benefit.

### Built for what's next.

tenperzent.com is the AI-native ATS designed for European hiring in 2026 - GDPR by default, EU AI Act compliant, free to start, €79/month to scale.

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