



**2025**

# **The Employers Guide: Recruitment Trends 2026**

**Hiring in 2026: The Talent Market Today**

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# A message from our founder

It's strange to think how much recruiting has changed in just a few years.

Not long ago, growth was the goal for its own sake; everyone wanted more people, faster. Today, the question isn't "who can we hire?" but "who do we really need?"

In 2026, teams are leaner, budgets are tighter, and every recruiting decision carries more weight than before. Technology promises to make recruitment easier, yet nearly two-thirds of candidates feel like they're disappearing into automated systems.

Meanwhile, skill gaps persist, remote work debates continue, and the rules around hiring keep shifting.

This report cuts through the noise to show employers what's working right now; from AI integration and skills-based hiring to retention strategies and why professional recruitment partners matter more than ever.

If you're hiring in 2026, the frenzy has passed.

What's left is something more grounded, more strategic, and ultimately more human.



**The best employers in 2026 aren't just filling jobs; they're building resilient teams.**

**The best recruitment strategies combine smart tech with the human touch**

A handwritten signature in black ink that reads "Sarah Bishop". The signature is fluid and cursive, with the first letters of "Sarah" and "Bishop" being capitalized and prominent.

**SARAH BISHOP  
FOUNDER & CEO**

## Hiring in 2026: The Talent Market Today



In most businesses today, hiring hasn't stopped, but it has slowed.

Across the US, UK, and Australia, that same pattern is playing out. Teams are smaller, budgets thinner, and every new role gets a second look. Before posting a job, managers are asking, *"Do we really need another person, or should we rethink how this work gets done?"*

After years of aggressive recruitment drives, businesses are beginning to prioritise headcount stability over expansion. Predictions for hiring growth range between just 2% and 3%. Some companies are already trimming roles, letting automation fill the gaps.

Yet the demand for good people hasn't gone away. If anything, it's become more focused. The skills might change, but the need for talent doesn't.

### The Skill Gap Everyone's Talking About

You can't go a week without hearing about skill shortages in just about every industry. In the UK, 62% of organisations still face skill gaps they can't fill with bots. The same is true elsewhere in the world, too, prompting some creative problem-solving.

In Australia, the new Skills in Demand visa offers 44,000 employer-sponsored spots, with salary bands ranging from AUD 76,515 to 141,210. Governments are hoping a wider talent pool will help brands stay afloat. The UK, on the other hand, is implementing tougher visa rules that are closing off some roles that desperately need overseas talent.

Meanwhile, the US is quietly facing a shortfall of over 500,000 skilled construction workers and a similar squeeze in healthcare. Talk to any hiring manager, and you'll hear the same frustration. It's not that people aren't applying; it's that so few are ready for what the job really demands.

### A Shift Back to Hands-On Work

There's another story running alongside the tech revolution. As automation takes over more office jobs, skilled trades are seeing a comeback. McKinsey expects around 12 million Americans to move into new kinds of work by 2030, mostly hands-on roles.

Manufacturing already has more than 600,000 vacancies, and that number could double within five years. Wages are rising too: up about eight per cent for skilled trades in 2025, higher than many office salaries. Younger workers are noticing. Nearly half of Gen Z say they'd choose an apprenticeship or trade training instead of university.

## What It All Means for Employers

Recruiting in 2026 isn't easy. But maybe that's not a bad thing. The frenzy has passed. What's left is more grounded; businesses are more focused on building teams that can handle what's next instead of just reacting to it.

The companies that are doing well are the ones with the agility to adjust quickly. They're honest about what's working and what isn't. They use technology, yes, but they don't hide behind it.

## Strategic Hiring Imperatives for 2026

Hiring feels strained right now. Every role means more. Every decision matters a little more than it used to.

The speed that once defined recruitment has given way to something slower but smarter. Businesses are learning to plan instead of reacting; to think in systems, not one-off hires. It's less about posting jobs and more about building foundations that actually hold.

Here's what's shaping that new approach.

### AI Integration: The New Hiring Standard

AI now touches almost every step of the hiring process. It reads CVs, sends updates, and arranges interviews. It's quick, it's capable, and it gives teams back hours they didn't have before.

Still, it isn't magic. Around 87% of companies use AI in recruitment, but they still can't rely on automated tools to manage the whole process.

What AI has done is expose weak spots, like bias in job ads, inconsistent screening, and long silences between interviews. The tech shines a light on everything we didn't have time to fix before. Used well, it helps level the field. Used badly, it just makes the same mistakes faster.

This is where good recruiters prove their worth. They use technology to handle the admin so they can focus on the human parts: the conversation, the listening, the instinct. They don't see AI as a filter. They use it like a flashlight.

### Skills-Based Hiring Becomes the Default

If you ask most hiring managers what's changed the most in the last few years, they'll tell you this: the CV doesn't mean what it used to.

Degrees, job titles, and years in the field still matter, but only up to a point. What matters more is what someone can actually do in the industry. With skills-based hiring, 90% of companies say they make fewer recruitment mistakes. Another 94% say their employees were recruited based on skills actually outperform those with the most impressive degrees.

That's why companies like IBM and Google have dropped degree requirements for whole categories of jobs. They'd rather test for ability than screen for pedigree.

You can see the difference in how interviews sound now. Instead of *"Tell me where you worked,"* managers are asking, *"Show me how you'd solve this."* Some use short project trials; others use practical tests or micro-credentials. The format doesn't matter as much as the mindset: curiosity over qualifications.

The companies that get this right are widening the gate . They're finding people who were overlooked before: career changers, self-taught technologists, parents returning to work. That mix of backgrounds is giving them something rarer than qualifications: range. In 2026, that's what makes a team resilient.

## **Data-Driven Recruitment Becomes the Norm**

For years, hiring ran on instinct. You'd read a CV, trust your gut, and hope you were right. That's changing fast. Data is finally giving managers the kind of clarity they once wished for. Not just on who to hire, but why someone succeeds once they're in the job.

Companies tracking metrics like time-to-hire, cost-per-hire, retention rate, and quality of hire are now making far better decisions. According to a recent report, organisations that use analytics in their recruitment strategy are 2.5 times more likely to improve long-term outcomes.

Many leaders are starting to see hiring data as a living feedback loop, not a report to file away. When time-to-hire spikes, they ask why. When a great candidate declines an offer, they trace it back to the experience.

Good recruiters are becoming analysts too, tracking where the best hires come from, how long they stay, and what kinds of communication keep candidates engaged. Over time, it turns recruiting from guesswork into a repeatable craft.

## **Candidate Experience Becomes a Competitive Advantage**

Ask anyone who's applied for a job recently, and you'll hear a familiar story. The long waits. The emails that never come. The feeling that their application has gone into a void. In a market this tight, those moments matter more than ever.

A strong candidate experience is the heart of successful hiring right now. Glassdoor data shows that companies offering a smooth, transparent process are 2.7 times more likely to see higher employee satisfaction later on.

Another study published in Forbes found that nearly half of candidates have turned down offers after a poor experience. It's not hard to see why. Hiring is emotional. Every unanswered message, every silent rejection, chips away at a brand's reputation.

The best employers have started to treat candidates the same way they treat customers: with communication, transparency, and respect. They give updates even when there's no news. They simplify applications and explain the next steps.

Recruitment partners play a huge role here, too. They know how to keep processes moving, close feedback loops, and make candidates feel seen rather than screened.

## **Compensation Planning in an Uncertain Economy**

Money always sits somewhere in the background, even when nobody wants to bring it up first. In 2026, getting pay right is harder than ever, not because budgets vanished, but because expectations keep shifting.

Salaries across most markets are flattening out. Forecasts show growth of around 3.5 per cent in the US, 3.8 per cent in the UK, and 3.3 per cent in Australia. After two years of inflation and pay pressure, it feels calmer. To employees, though, it can feel like standing still.

Leaders are walking a tightrope between financial sense and keeping good people happy. A 2025 Gartner report found that 66 per cent of companies are worried about future economic conditions, which is why most are opting for small, strategic increases rather than blanket raises.

The smarter ones aren't competing purely on base salary anymore. They're getting creative by offering growth pathways, bonuses tied to clear outcomes, and benefits that reflect how people actually live. Some are shifting budgets toward wellbeing programs or flexible scheduling instead of cash. For employees, those gestures often matter just as much.

The goal now isn't to win the salary race. It's to make compensation feel fair, transparent, and tied to value. That means communicating clearly about how pay decisions are made and what growth looks like. When people understand the "why," they're far more likely to stay through the "how."

## **Remote Work and Flexibility**

Remember when every job ad promised "work from anywhere"? Today, many companies are pushing staff back into the office.

Around 30% of companies plan to eliminate remote work by 2026, and nearly half expect staff to be in the office at least four days a week. On paper, leaders say they're doing it to rebuild culture and collaboration. In truth, some want to see full desks again.

Still, it isn't very easy. Hybrid work is messy. Some employees have moved cities or restructured their lives around flexibility. Many say they'd start looking elsewhere if that freedom disappeared. One study found that three-quarters of workers would consider quitting if full-time office attendance were to return.

That doesn't mean the return-to-office push is doomed. It just needs to be handled with more care. The companies managing it best are those that give purpose to presence. They're not dragging people back to count heads; they're bringing teams together for work that benefits from in-person collaboration, creativity, and mentoring.

Some companies have gone a step further and rethought the rhythm of the week itself. The four-day model is catching on fast. After pilot programs in the UK and Iceland, 9 out of 10 participating organisations retained the policy. They saw less stress, fewer sick days, and revenue that held steady or even rose.

These experiments share a theme: flexibility with intention. Not just perks, but thoughtful design. The message to employees is simple: we trust you to do great work, and we'll shape the environment to help you do it.

## **The 2026 Employer Value Proposition**

By the time a candidate applies for a job in 2026, they've already made up their mind about what they think of you. They've read the reviews, checked the LinkedIn posts, scrolled through employee comments, and maybe even watched a few videos. They know how your company talks to people and how it talks about itself.

That's why the employer brand is now the frame that surrounds every recruiting decision. In a market this transparent, reputation travels faster than advertising ever could.

## Employer Branding as a Strategic Imperative

Every company tells a story, whether they mean to or not. It's in the way leaders talk about people, how feedback is handled, and how quickly someone gets a reply after an interview. Candidates notice all of it.

In 2026, that story carries more weight than any job ad. People have options. Before they apply, they're already reading reviews, checking Glassdoor, scrolling through LinkedIn posts. They can tell when a company's culture is real, and when it's been polished for show.

LinkedIn's research says that three out of four candidates research an employer before applying, and about half will turn down an offer if they don't like what they find.

The best employer brands aren't glossy anymore. They're honest. They talk about progress, not perfection. They show the people behind the work: the warehouse team, the manager in training, the recruiter staying late to call a nervous candidate.

A strong employer brand doesn't start in marketing. It begins inside, with how people feel when they show up to work. If that's genuine, if people are treated with respect and purpose, the reputation builds itself.

## Diversity, Equity, and Inclusion: From Compliance to Competitive Advantage

In 2026, DEI isn't a campaign; it's how the best teams operate. Different voices in the room change the work itself. They ask sharper questions. They catch what others miss. That's why companies with diverse leadership are 21% more likely to outperform on profits.

Across the markets, the pressure to get serious is growing, too. The EU's new directive calls for 40 per cent of board seats to be held by women by 2026. In the UK and the US, candidates now ask direct questions about representation before accepting an offer.

The real progress, though, isn't happening in policy. It's happening in habits. In the words managers use when writing job ads, in who sits on interview panels, and in whether feedback is fair or filtered.

It's not about ticking boxes anymore. It's about building better decisions from the ground up. Companies that treat it that way are discovering something simple but powerful: inclusion isn't charity. It's a strategy.

## Mental Health and Wellbeing: Business-Critical Priorities

Every leader talks about well-being now, but the ones who really mean it sound different.

They don't talk about "initiatives." They talk about people, the ones who've hit a wall, taken a step back, and come back stronger.

The link between well-being and performance is clearer than ever. The CIPD found that four out of five workers see mental health support as just as important as pay. It's not a perk anymore. It's part of the job.

In the UK, employees lost an average of 9.4 days to sickness last year, the highest in fifteen years, much of it tied to stress and exhaustion. The fix isn't complicated. Real flexibility, healthy workloads, and boundaries that protect rest aren't luxuries. They're what make work sustainable.

Some companies have added “no meeting” Fridays. Others offer separate mental-health days, so people don’t have to call it sick leave when what they really need is rest.

The payoff is huge. Deloitte estimates that UK employers lose £56 billion a year to mental-health-related absences. Still, the same study found that every pound spent on good wellbeing programs can return up to five times that amount.

## **Retention and Development: The New Competitive Battlefield**

In 2026, after years of talking about how to attract talent, more leaders are finally turning their attention to how to keep it.

The truth is that external hiring has become expensive and slow. The best candidates are often already working somewhere else, maybe even down the hall. Companies are starting to realise/realize that their next great hire might already be on payroll.

## **Internal Mobility and Talent Development**

When teams are stretched, internal mobility feels like survival. People want movement . If they can’t find it inside their organisation , they’ll start looking outside.

LinkedIn’s research shows that employees who move into new roles internally are twice as likely to stay for more than two years compared to those who don’t.

That single fact has changed how many leaders think about retention. It’s not about keeping people static. It’s about keeping them in motion.

Many companies are now building pathways instead of ladders . They’re using internal talent marketplaces, cross-functional projects, and mentorship programs to help employees explore new areas without leaving the business. Some use AI to map skills and show people where they could go next; others rely on simple, open communication, a quarterly conversation about what comes next instead of a formal annual review.

The result isn’t just better retention. It’s agility. When roles shift or markets change, companies with cross-trained, curious teams can move faster.

## **Upskilling and Reskilling: Strategic Imperatives**

The phrase “skills gap” is used a lot, but for many businesses, it’s just part of daily life. Roles evolve faster than people can be trained for them. Software changes. Expectations shift. The old expertise stops being enough.

The smartest companies aren’t waiting for change to arrive. They’re making learning part of everyday work. Not long courses or dull webinars, but short, regular bursts that fit into real life: a quick mentoring chat, a short project, a few weeks in another department. Amazon has poured billions into retraining warehouse staff for data and engineering roles. Unilever’s internal system, Flex Experiences, lets employees pick up short-term projects across teams to build new skills.

Upskilling pays off in more than skills. It gives people confidence. When someone knows their company is willing to invest in their growth, they’re far less likely to leave.



## Succession Planning and Leadership Development

Leadership gaps have a way of showing up at the worst times. Someone retires. Someone resigns. Suddenly, all the quiet assumptions about “who’s next” are tested, and sometimes, no one’s ready.

Succession planning isn’t a side project anymore; it’s survival. Nearly 60 per cent of workers over 55 say they’ll retire within five years. When a senior leader walks out without a plan in place, the gaps show fast, lost knowledge, slow projects, and shaky morale. The fix takes longer than most people think.

Well-prepared companies handle it differently. They don’t wait for a resignation before starting to groom the next generation. They use data to spot early potential, not just performance. They build leadership cohorts and mentorship programs that mix ambition with humility.

Some of the most effective approaches right now include structured “leadership academies,” cross-department rotations, and 360-degree feedback tied to real development plans. AI is even playing a role here, helping HR teams identify hidden potential in mid-level employees.

## Compliance and Legal Considerations

Most business owners don’t start a recruitment conversation wanting to talk about compliance, but the rules around hiring and employment are shifting faster than usual in 2026. The regulations around hiring keep changing, some to make things fairer, others to deal with technology, and they all point to the same message: companies need to be clearer about how they treat people.

In the US, pay transparency laws are spreading. California and New York already require salary ranges in job posts, and others are catching up. Paid leave rules are widening, too, through laws like California’s AB 406. Rising wage thresholds mean more workers now qualify for overtime.

Australia is rolling out its new Skills in Demand visa, replacing the old Temporary Skill Shortage program. It includes three clear streams tied to salary levels and residency options, and employer-sponsored places have jumped to 44,000. The UK’s gone the other way, raising salary limits and tightening visa eligibility. For companies hiring across borders, keeping up isn’t just smart, it’s necessary.

The biggest shift, though, is around data. With AI screening candidates, employers must be upfront about how decisions are made. In some states, it’s now illegal to use automated tools without first notifying applicants. That trend will only grow.

For busy employers, this can sound exhausting. But the key is to stay informed. A quick check-in with your recruiter or legal advisor a few times a year can save a lot of stress later.

## Why Business Owners Still Need Professional Recruitment Partners in 2026

It’s rough out there. Eight out of ten UK companies say they’re struggling to fill jobs. Many admit they’ve made hiring mistakes that cost thousands, sometimes close to a third of a salary.

Remuneration packages are up, costs are up, and every bad hire stings a little more.

Even when you find the right people, the process eats time. Many HR teams spend ten hours or more each week managing interviews and follow-ups, time that could be spent on the business itself. This is where recruiters prove their worth.

A strong recruiter doesn't just forward CVs. They dig deeper. They know who's ready to move and who's just curious. They use AI tools to handle routine sorting, but the judgment stays human. It's about fit, motivation, and timing. They also spot trends early: salary shifts, new skills, and fresh job titles, helping companies stay ahead rather than catch up.

Their edge comes down to a few simple things:

- **Reach:** they know where to find people you won't.
- **Speed:** they move faster, and with better data.
- **Protection:** they keep you compliant when laws shift.
- **Experience:** they spot red flags that a busy manager might miss.
- **Brand care:** they make sure every candidate leaves with a good impression, even if they don't get the job.

The financial argument is easy. A single bad hire can cost much more than a recruiter's fee. Between the lost productivity, the re-hiring, and the toll on morale, it adds up quickly. Recruiters help cut those losses before they happen.

They keep candidates engaged, so ghosting goes down. They shorten hiring timelines. They reduce the risk of rushing into a decision that turns out to be wrong.

There's another side to it that numbers don't show. Recruiters lift pressure off business owners who already have enough to manage. They turn hiring from a headache into something smoother, more human, where it counts, and less personal where it shouldn't be.

## Implementation Framework: preparing for 2026

Change looks easy on paper. In real life, it's messy. Most business owners already have too much to do, so any plan has to fit into what's real, not what sounds good in theory.

### 1. Spend Where It Matters

Budgets are tight. Always have been. The trick isn't spending more; it's spending better.

Put money into the parts of hiring that actually save time or improve results:

- Tools that make the admin lighter, like scheduling software, applicant tracking, anything that gives hours back.
- Employer branding and candidate communication. People apply faster when they already trust your name.
- Training. Especially for managers who interview.
- Outside partners. Recruiters, legal experts, and anyone who knows the rules better than you do.

### 2. Give It Time

Most fixes in hiring don't show results overnight. Think in seasons, not weeks.

- **Short term (0–6 months):** Clean up the basics: job ads, feedback loops, communication.
- **Midterm (6–18 months):** Build structure, track what works, refine processes, train people.
- **Long term (18–36 months):** Grow leaders, invest in development, build the kind of culture that keeps people around.

Slow isn't bad. It's usually the only way things last.

### 3. Share the Load

Hiring isn't one person's job. It works best when everyone owns a small piece of it.

- HR keeps the process running.
- Managers define what "good" looks like.
- Recruiters bring the market view.

Bring everyone into the same conversation early, before the job post goes out. It saves weeks later.

### 4. Measure What Counts

Skip the long reports. Track what actually tells you if your hiring strategies are working:

- How long does it take to hire?
- How much each hire costs.
- How many stay longer than a year?
- What candidates say about the process.

If one number looks off, fix that first. Don't chase everything at once.

### 5. Stay Flexible

No hiring plan stays perfect all year. People move on, rules evolve, markets surprise you. That's normal. The smart approach is to stay ready, line up potential internal moves, keep part-time or temporary help in mind, and maintain a few trusted recruiters who can step in quickly when things shift. Flexibility is the quiet kind of stability that keeps a business steady.

## Building Stability Through Change

The past few years have shown that certainty doesn't last long. Markets shift. Technology speeds up. People want something different from work than they did before. And somehow, leaders are still expected to hold it all together.

Hiring in 2026 sits right in that middle ground, between speed and care, data and instinct, efficiency and empathy. The companies getting it right aren't chasing growth for its own sake anymore. They're building teams that last.

They use AI and data to work faster but still make decisions with heart. They focus less on credentials and more on skills. They know that wellbeing and belonging aren't nice extras, they're what make people stay.

Recruitment partners sit at the centre of that shift. They turn what could feel chaotic into something structured and manageable. They help companies see the market clearly, treat candidates with respect, and stay compliant while everything around them changes.

The big takeaway from this year isn't about any single trend. It's about balance. The organisations that thrive through 2026 and beyond will be the ones that find that balance between technology and humanity, efficiency and empathy, reacting and planning.

Because no matter how much the world of work evolves, one thing hasn't changed: hiring is still about people. And the companies that remember that will always be one step ahead.

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## A little about Sarah Bishop and Recruit Recruit Ltd



Whether you're a sole trader hiring your first team member, a VC-backed startup needing to scale fast, or a corporate looking for top-tier C-suite talent, one thing stays true:

Your business grows when your people grow.

**I help founders, CEOs and business leaders build brilliant teams through:**

- Recruitment: finding and placing the right people for the right roles or embedding a talent team into growing businesses
- Sales & Leadership Training: developing high-performing teams that sell, lead and deliver
- Speaking & EmCeeing: energising events and conferences with insight, humour and practical takeaways
- Coaching: supporting leaders to grow confidently, communicate better, and build culture that sticks

Over the years, I've supported businesses at every stage, from bedroom startups to scale-ups and established firms navigating change. What they all have in common? A vision to grow and the ambition to get the right people on board to make it happen.

**I bring no-nonsense advice, energy, empathy and results, whether I'm:**

- Hiring a game-changing leadership role
- Training a founder-led team to sell with confidence
- Speaking on stage about team-building, fearless follow-up, or people strategy
- Coaching a business owner through their first ever hire

**So, let's talk if:**

- You're ready to grow and want to hire with confidence
- You need training or coaching to get more from your team (or yourself!)
- You're planning an event and want a speaker or EmCee who brings both energy and value

**Drop me a message or connect - let's build something brilliant together.**



**Now - #1 Bestseller on Amazon - "Scale Up!: The Founders' Guide to Accelerating Growth by Building Dream Teams" by Sarah Bishop**