

Resourcing Leaders Confidence Index

Issue 2 - Q1 2025



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Executive Summary

Talent Acquisition operates at the intersection of business strategy and workforce planning. The industry continues to flex and evolve, driven by economic conditions, technological advancements, and shifting workforce expectations - and as a result our industry, leaders and strategies must reflect and adapt.

The Resourcing Leaders Confidence Index Survey Q1 2025 once again provides a window into the thoughts of the TA leaders and is designed to take the temperature of the market - taking into account shifting trends in challenges, market sentiment and how these change over time.

As this is the second in the series we will be making comparisons and observations on the previous quarter to better understand the changes in the industry, asking crucial questions like:

- **How do leaders feel about market volatility?**
- **Are concerns increasing? Are confidence levels improving?**
- **Where are the opportunities and what should the focus be on now and in the future?**

This report will dive deeper into changing opinions and trends from our member's perspectives, the increasing adoption of AI with persistent governance concerns, and continued momentum for skills-based hiring along with impactful flexible work policies.

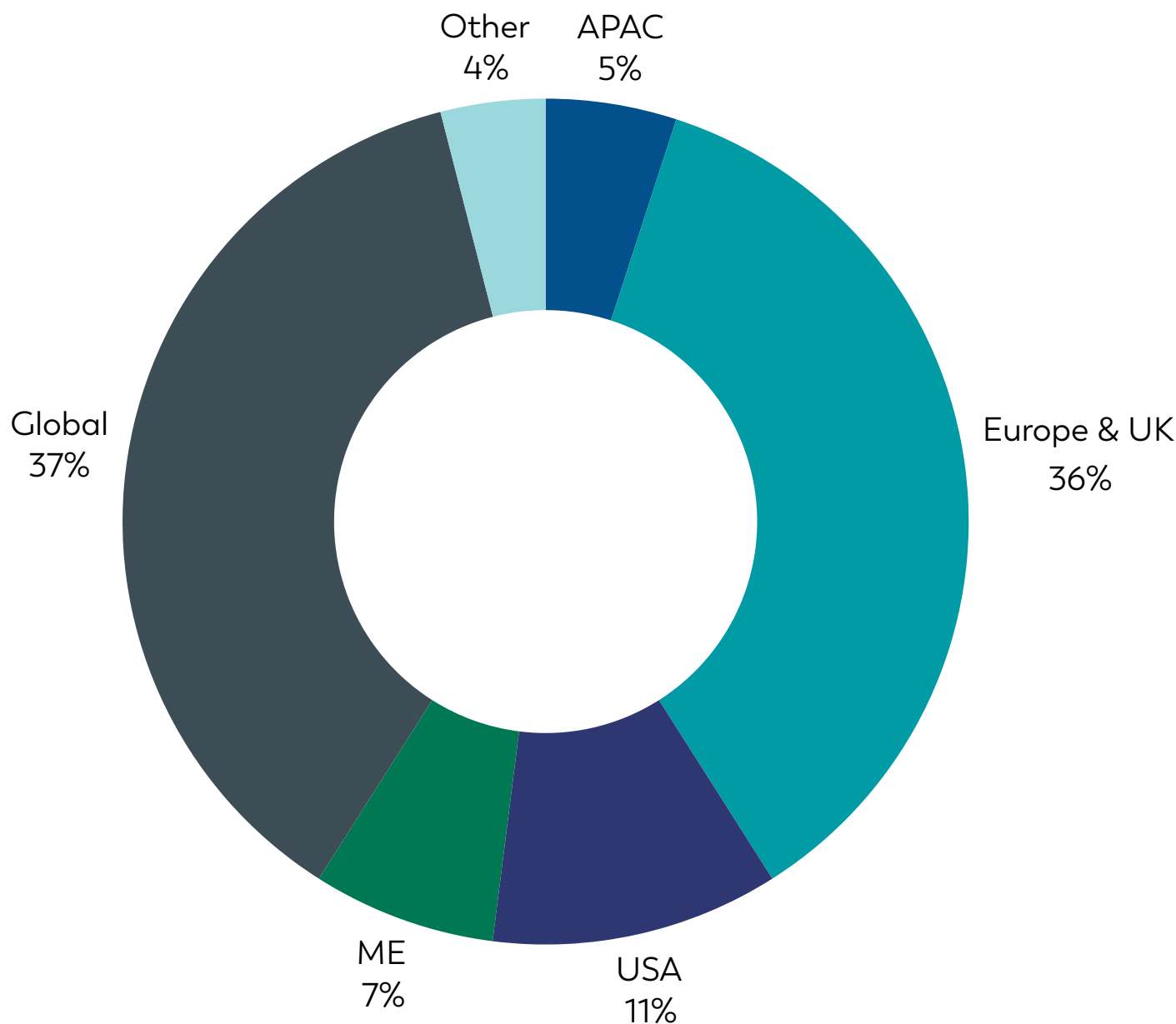
Once again, our intention is to get beyond market data and explore the true insights from practitioners which will shape the future - from those who are best positioned to do just that - our TA Leaders, providing a road map and guide to navigating the future.



Kirstie Kelly
The Recruitment Events Co. Board
& Resourcing Leaders Advisor



Geographical Distribution of Survey Respondents



Trends and the Future of the Industry

1

Market Confidence Remains Cautious:

While confidence remains largely unchanged, the slight dip in optimism vs 2024 Q4 suggests that businesses are growing more cautious in their hiring strategies. Leaders should keep a close eye on external economic indicators and adjust workforce planning accordingly.

2

Hiring Volumes Show Stability but Less Optimism:

Findings suggest that in 2025 Q1 a larger proportion of respondents expected hiring to remain stable than at the end of last year, suggesting companies are hedging their bets, balancing operational efficiency with cautious workforce planning. This may also present an opportunity for TA teams to refine talent retention strategies and internal career mobility programs.

3

AI & Automation: Increased Adoption but Growing Concerns:

AI is rapidly transforming recruitment, but unchecked automation can lead to unintended consequences. TA leaders must be proactive in implementing ethical AI policies to ensure fairness and transparency in hiring.

4

Skills-Based Hiring Gains Further Momentum:

The increased adoption of skills-based hiring continues into 2025 and reflects a broader shift in how organisations view talent. Companies that embrace this trend will be better positioned to build a diverse, future-proof workforce.

5

Flexible Work Remains a Priority, but Tensions Grow:

While remote work remains a priority for many employees, some businesses are rolling back their flexibility policies. The companies that successfully navigate this shift will be those that implement hybrid models that satisfy both operational demands and employee preferences.



Confidence in the Market:

A Dip in Optimism

When asked to rate their perception of the market confidence on a scale from 1 to 10, most respondents landed somewhere in the middle, with the majority giving it a 6. This paints a current picture of cautious optimism, while the market isn't in dire straits, there's a level of uncertainty.

So, what's causing this mixed sentiment?

Economic pressures, ongoing talent shortages, and the lasting effects of global disruptions may be factors. TA professionals are having to be more adaptable than ever, balancing between a reactive and proactive approach as they respond to unpredictable market changes. If this is likely to be our new economic reality, TA need to build agility into their entire operation.

Although we have definitely seen a positive move in TA with more leaders finding roles, the industry has taken a hit alongside the economic climate. Particularly in BioTech where funding has been very difficult to achieve over the last 18 months, so we are seeing a lot of TA teams in the market suddenly. The more we diversify as a function, and prove the wider impact TA can have in a business beyond the historic 'recruiter' in workforce planning, reward design, org design, cost saving, employer branding to name a few, the more I believe we will safeguard us as a function and skillset.



Grace Rowley-Smith

Associate Director, Talent Acquisition, Bicycle Therapeutics



Hiring Volumes:

Stability over Expansion

- 2024 Q4: 40% of respondents expected hiring volumes to stay the same, while 35% predicted growth.
- 2025 Q1: A higher percentage expects stability, but fewer anticipate growth, reflecting increased economic caution.

Why the Shift?

- Companies are prioritising internal talent mobility, up-skilling, and retention over aggressive hiring.
- A growing focus on cost containment and workforce optimisation rather than expansion.

Implication: Organisations are shifting toward a “do more with less” approach, requiring re-skilling initiatives and internal mobility programs to fill critical gaps.

Summary: While hiring levels aren't dropping significantly, optimism about growth is fading. Organisations are prioritising workforce stability over aggressive expansion, reflecting a conservative approach to talent acquisition. As companies work with tighter budgets and economic caution prevails, up-skilling and retention strategies are taking precedence over external hiring.

I think I would say that the uncertainty in geopolitical and economic factors may see a drop both in candidate and employer confidence, and as a result fewer resignations so less organic market movement.



Sarah Langton
Global Head of Talent Acquisition @ Clifford Chance



AI and Automation:

More Use, More Scrutiny

- 2024 Q4: AI was seen as a major opportunity, but concerns existed over ethics, bias, and implementation.
- 2025 Q1: AI adoption has increased, but challenges around fairness, governance, and candidate experience have intensified.

The Balancing Act

- Efficiency vs. Bias: Companies see AI's potential to streamline processes, yet governance frameworks remain inconsistent.
- Automation vs. Human Touch: While automation improves efficiency, TA leaders emphasise the need to maintain a human-centric candidate experience.

Implication: Organisations must build AI governance structures and integrate ethical safeguards while maintaining human oversight in recruitment processes.

Summary: AI is rapidly transforming the recruitment process, but its unchecked adoption presents new risks. While more companies are embracing automation, concerns over bias, fairness, and candidate trust are on the rise. The challenge for TA leaders will be ensuring AI enhances rather than erodes the candidate experience through transparent governance and ethical oversight.

Candidate adoption of AI automation is here. On the frontline we are having to adjust to candidate communication through their own autoresponders for example. Their adoption is not under the same scrutiny as ours as employers and we are having to manage this rapidly changing period where a bot could potentially be talking to a bot.



Sarah Cooper
Group HR Technology, Insights
& Recruitment Director @ Rentokil

In this rapidly changing landscape, the internal governance requirements for AI are also in a state of flux and evolution. Whilst there may be frustration, as the adoption of tools are purposefully slowed down by process, this is absolutely essential, as bias and risk and their impact are very real. We must make sure that HR / Talent / Recruitment are at the table with our IT, legal and operations colleagues on these newly assembled AI governance boards. We must make sure that the colleague and candidate are advocated for.



Toby Culshaw
Ex Global Head of Talent Pipeline Strategy
& Intelligence Worldwide Amazon Stores,
@ Amazon



Skill-Based Hiring:

From Concept to Implementation

- 2024 Q4: The focus on skills over traditional degrees gained momentum as companies sought alternative talent pipelines.
- 2025 Q1: Adoption has expanded, with more investment in skills assessment tools and adjacent skills hiring models to address workforce gaps.

Why It Matters

- Traditional degree requirements limit access to high-potential candidates.
- Skills-based hiring expands the talent pool and enhances workforce adaptability.
- More organisations are integrating skills assessments to make hiring decisions more objective and inclusive.

Implication: Companies embracing skills-based hiring will gain a competitive advantage by widening access to untapped talent pools.

Summary: The skills-first hiring approach is no longer a passing trend—it's a fundamental shift in how organizations build their workforce. By prioritising practical capabilities over degrees, businesses can tap into previously overlooked talent pools. As more companies adopt skills assessments, expect this to become a mainstream hiring strategy in the years ahead.

I work for a cloud cybersecurity company, and over the past two years, one of the biggest factors preventing companies from scaling their cloud environments has been the availability of relevant skill sets. As a fast-moving start-up, we currently lack the time and resources to re-skill or up-skill employees, so we need to hire 'ready-made' candidates.



RL Community Member



Flexible Working:

A Growing Divide

- 2024 Q4: Flexibility was seen as essential for talent attraction and retention.
- 2025 Q1: Demand for flexibility remains high, but some companies are pulling back on remote work, citing concerns over collaboration, culture, and productivity.

The Debate Continues

- Why Employees Want Flexibility: Increased productivity, work-life balance, and talent retention.
- Why Employers Are Scaling Back: Collaboration challenges, cultural shifts, and concerns about maintaining engagement.

Implication: Companies must carefully balance employee expectations with business needs, ensuring flexible work policies align with long-term workforce strategy.

Summary: The future of remote work is at a crossroads. While employees continue to demand flexibility, some businesses are rolling back policies in an effort to boost collaboration and culture. This tension will require careful navigation, as companies that scale back too aggressively risk losing top talent to more adaptable competitors.

"I find the growing divide on attitudes to remote and hybrid working fascinating. Companies that insist on having employees in the office could really benefit from being more transparent about why they believe it's essential. By clearly articulating how being together in an office can enhance performance—whether through better collaboration, creativity, or team culture—companies could increase buy-in and reduce resistance. Without a solid rationale, real examples and the truth, employees can struggle to see the value to them of increased office mandates. If companies fail to provide a compelling "why," those offering flexible working options could very well attract the top talent. It's a reminder that understanding and clarity are key to making these important decisions and staying competitive in an evolving work landscape."



Kathryn Bremner

Talent Acquisition Director @ Light & Wonder iGaming



Conclusion:

Adaptability is Key!

The Confidence Index Survey 2025 Q1 paints a picture of an industry navigating economic uncertainty, evolving technology, and shifting workforce expectations. To remain competitive, TA leaders must prioritize agility, strategic workforce planning, and technology governance.

Key takeaways:

- Market confidence remains cautiously neutral, influenced by economic and global uncertainties.
- Hiring strategies focus on stability and workforce optimisation rather than expansion.
- AI adoption continues to grow, but challenges around governance and candidate engagement persist.
- Skills-based hiring is gaining traction, enabling broader access to high-potential talent.
- Flexible work remains crucial, but employers are reassessing long-term policies.

As TA leaders plan for the future, adaptability, strategic workforce planning, and technology governance will be essential in shaping resilient and competitive hiring strategies.

“As market confidence cools and hiring slows, organizations are pivoting from expansion to optimization, embracing AI and skills-based approaches while navigating the delicate balance between workplace flexibility and cultural cohesion.

The shift from Q4 2024 to Q1 2025 reveals a subtle but significant erosion of optimism. Confidence levels haven't dramatically collapsed, but the declining sentiment suggests organizations are increasingly adopting a 'wait and see' mindset in response to global economic pressures.

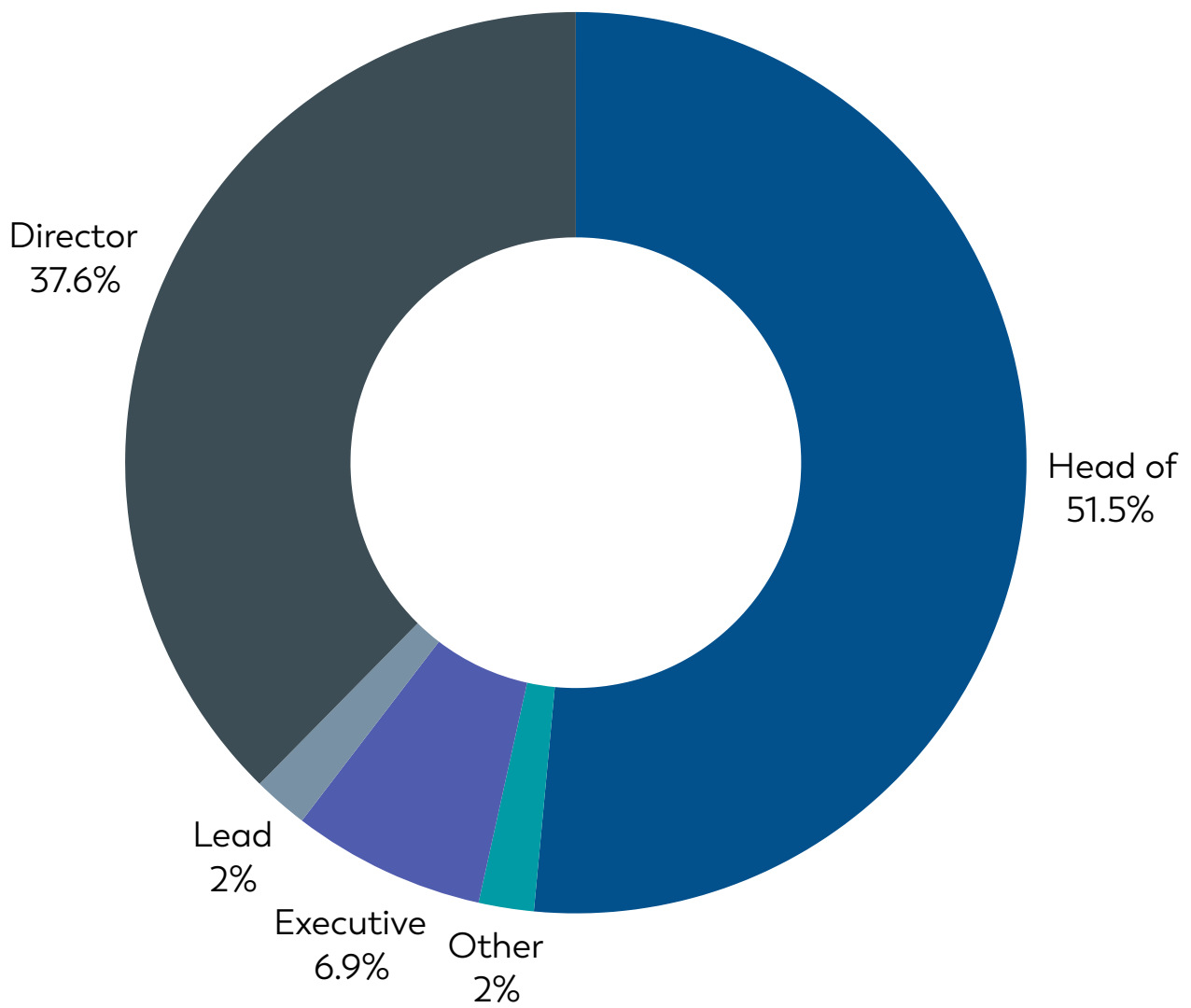
The increased focus on internal mobility requires a reiteration of the why stay / EVP to employees, as we are moving into a space where talent will move on based on which organisation is offering learning, skills and future proofing. Using the old methods to promote internal mobility will not work.”



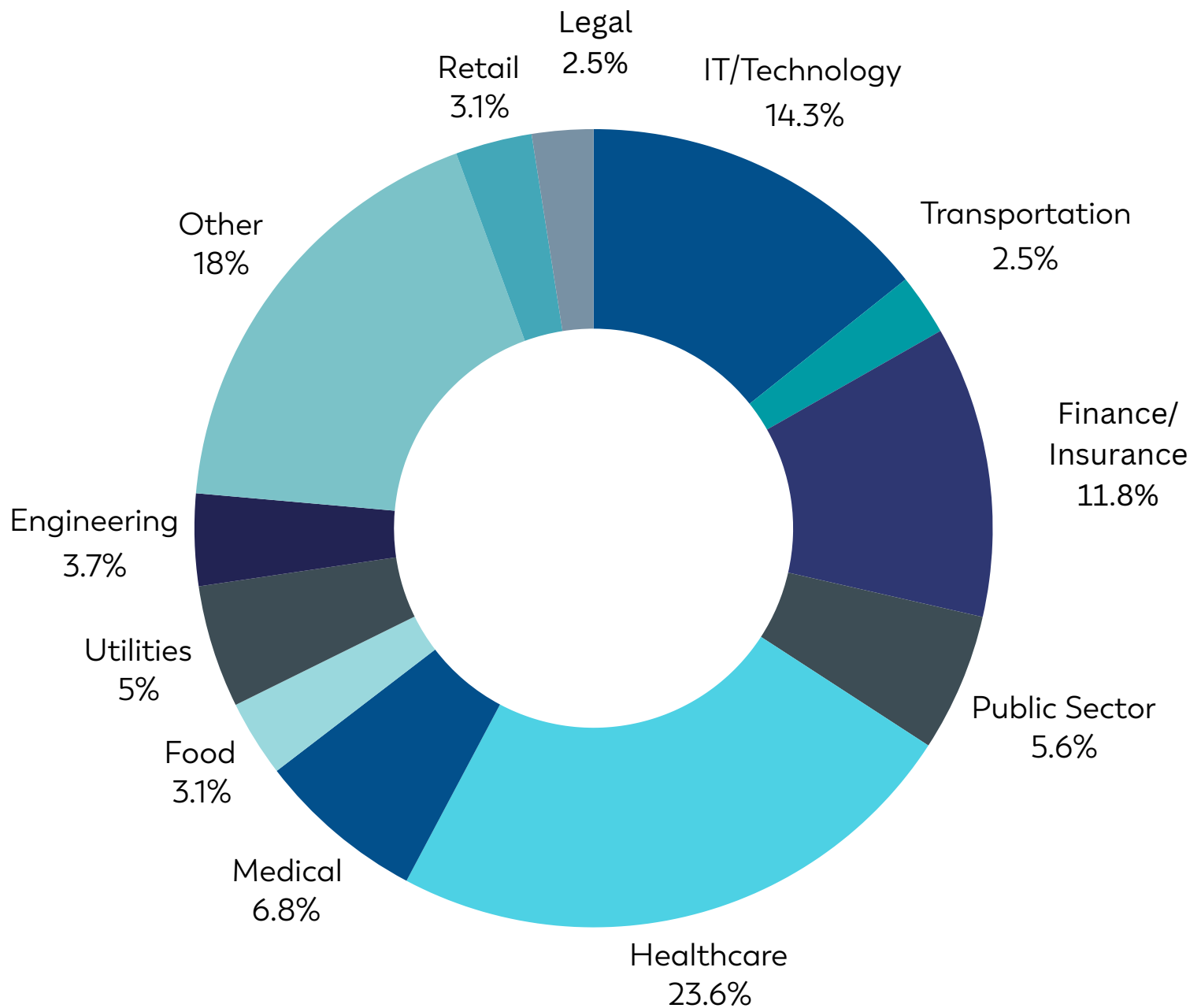
Charu Malhotra
Global Head of Talent Branding



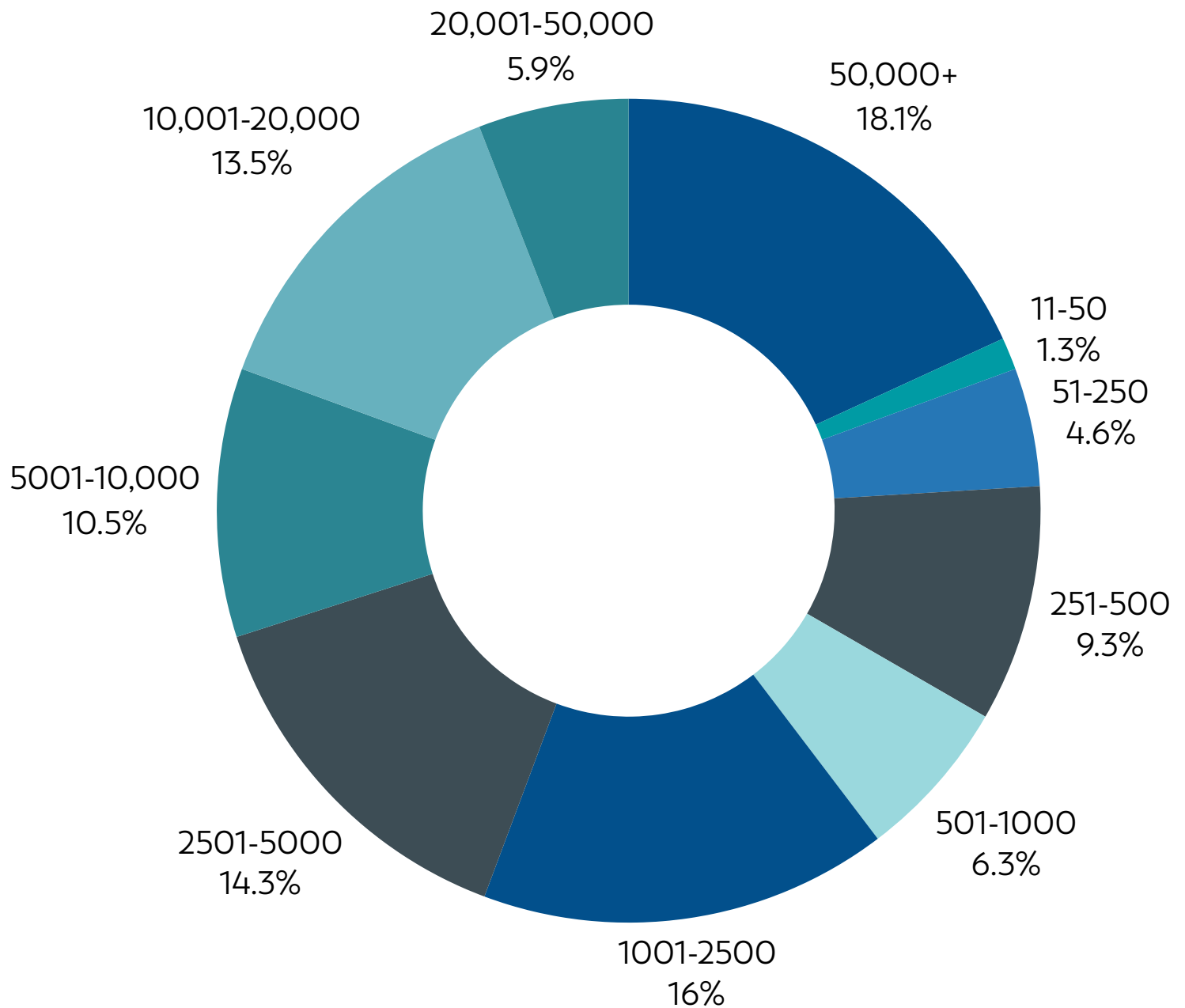
Job Levels of Survey Respondents



Industries Covered by Survey Respondents



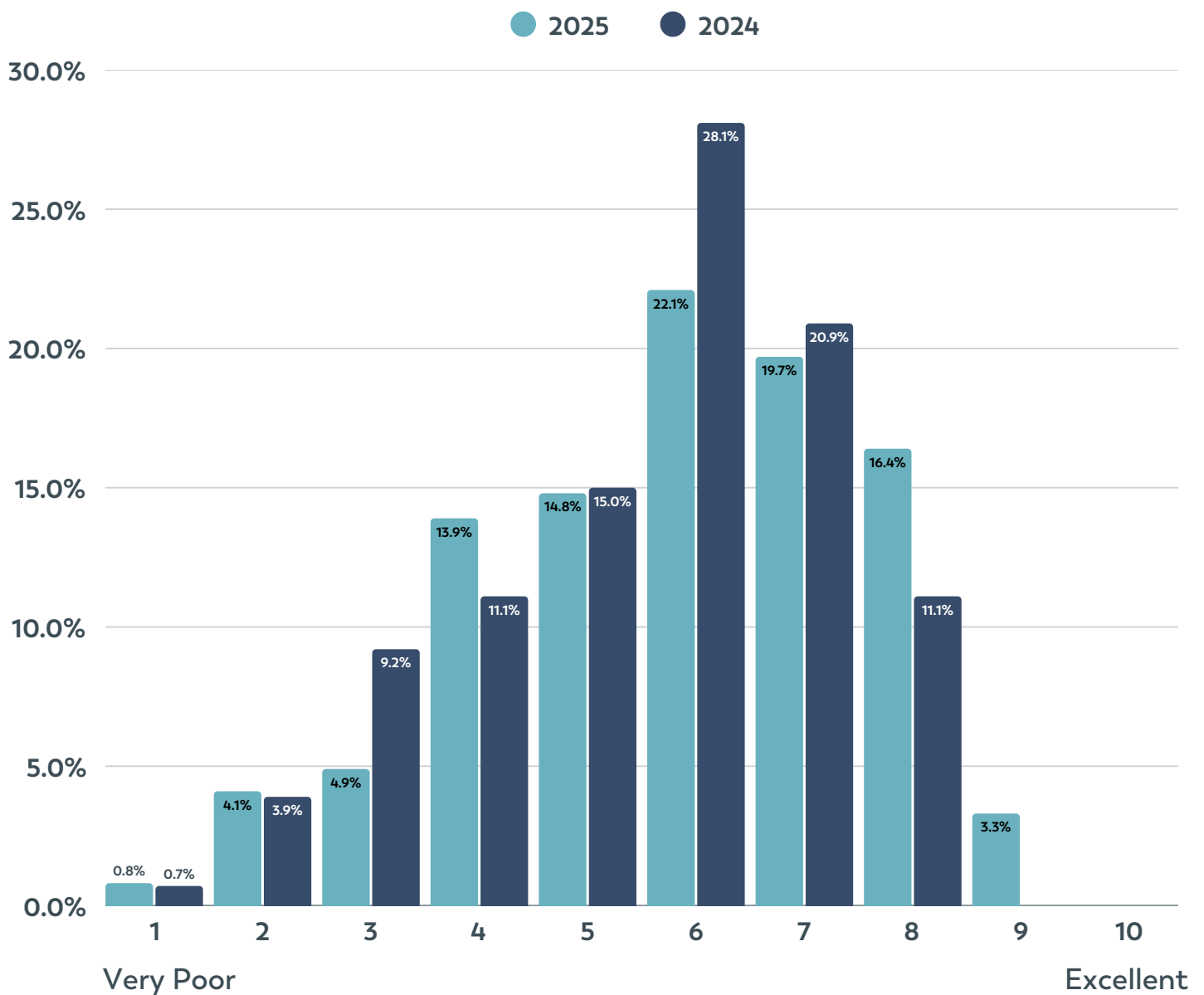
Company sizes of Survey Respondents



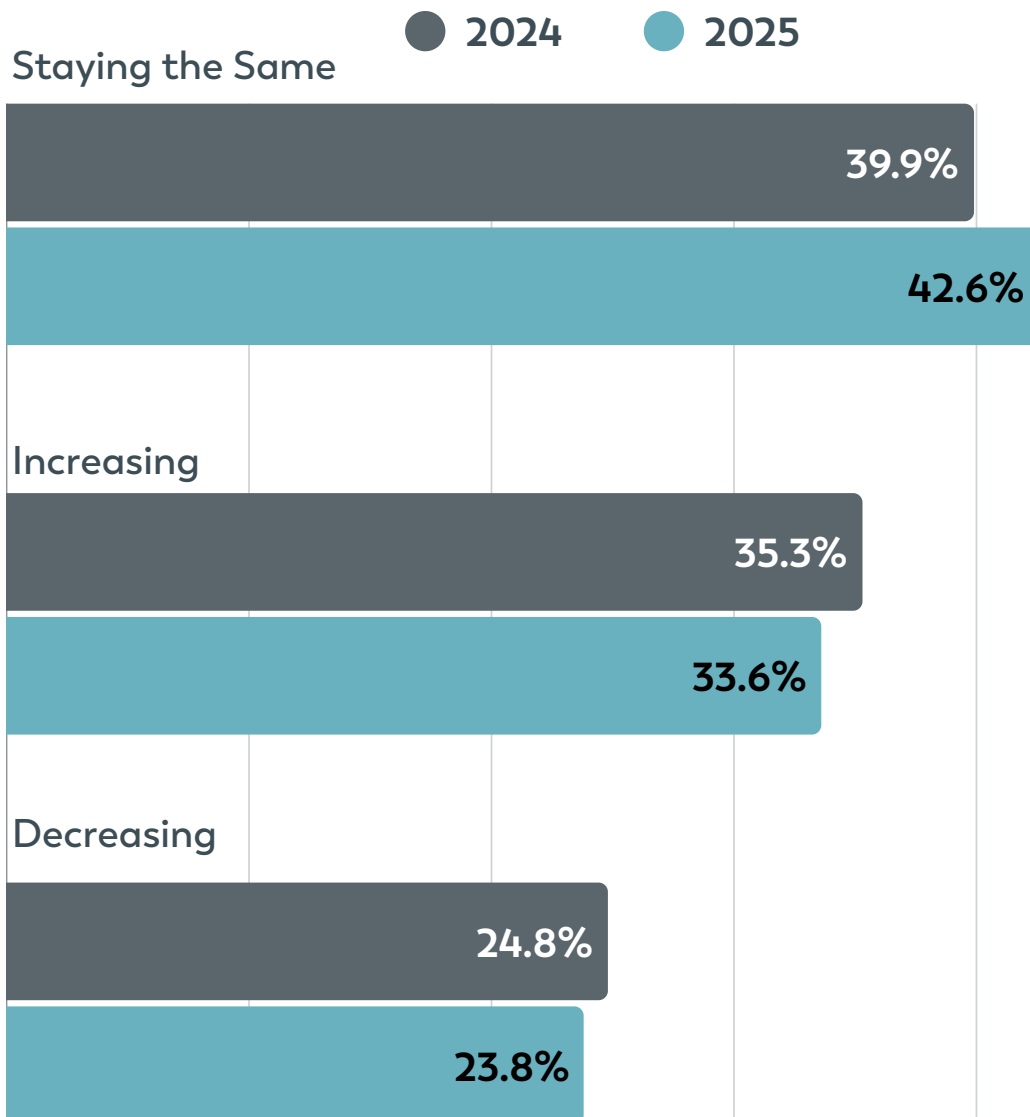
Appendix



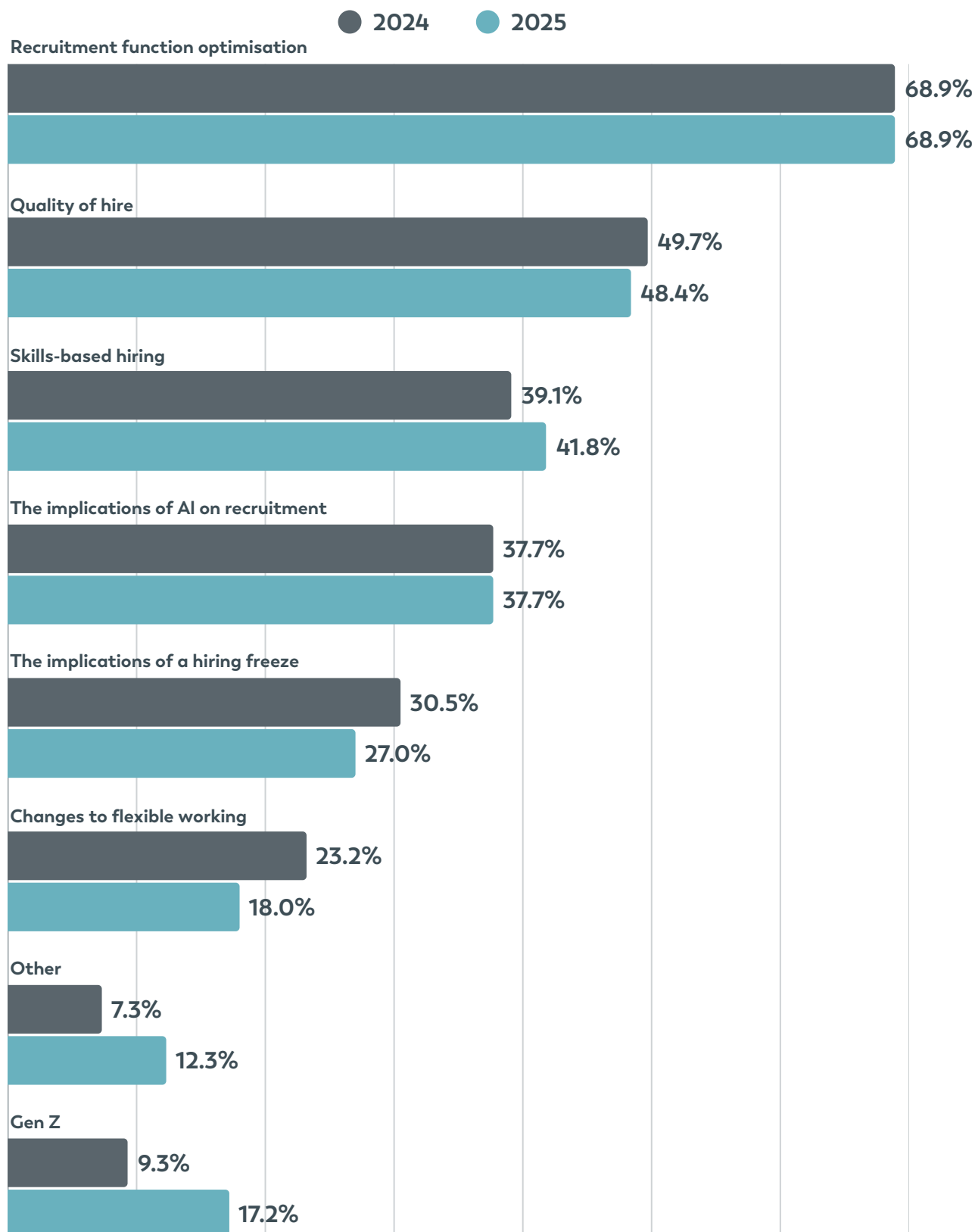
Market Perception: How would you rate the current market conditions for TA? (1 - 10)



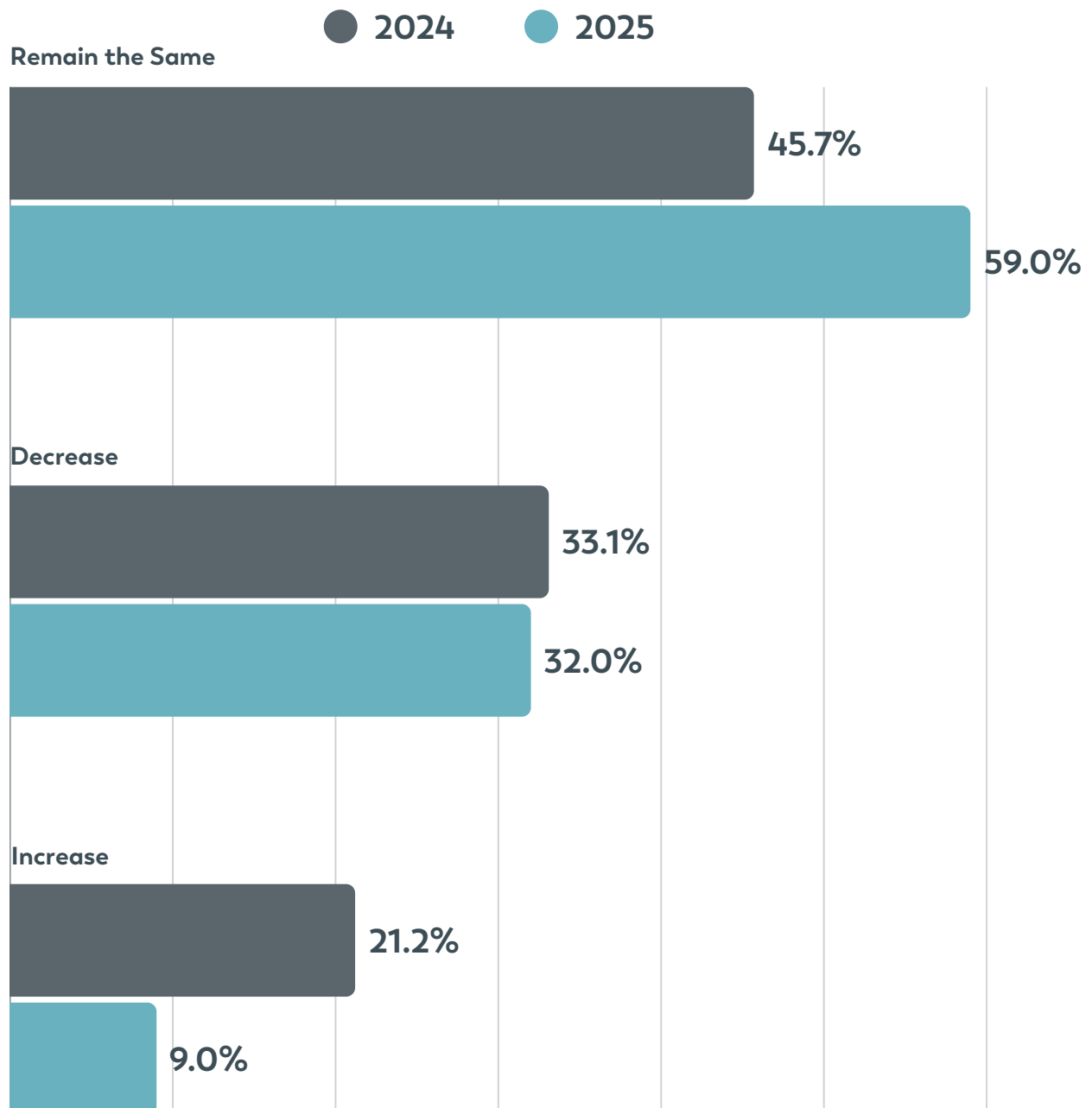
Do you foresee your hiring volumes increasing, decreasing, or staying the same in the next six months?



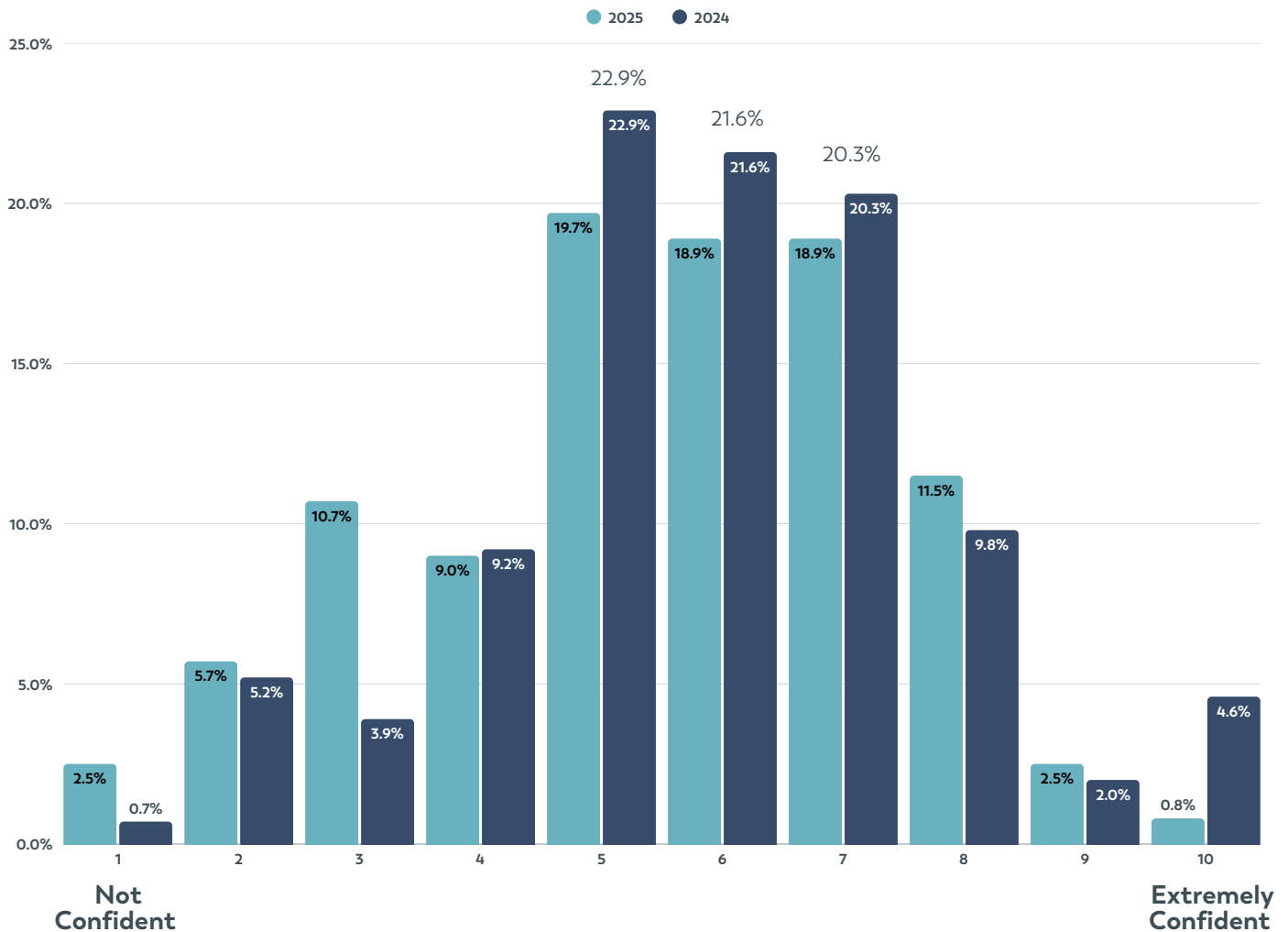
What are the top three challenges you are facing now and in the next 3 months in talent acquisition?



Over the next six months, do you anticipate your recruitment budget will increase, decrease or remain the same?



How confident are you in the growth and stability of the TA industry over the next 6 months?



In your view, which area does the recruitment industry currently prioritise the most?

