

Resourcing Leaders Confidence Index

Issue 1 - Q4 2024



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Executive Summary



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Talent Acquisition operates at the heart of people and business strategy. The landscape is constantly shifting, and understanding the state of the market is critical to keeping our strategies relevant and effective and our organisations informed.

The Resourcing Leaders Confidence Index offers an invaluable window into the thoughts of TA leaders today and is designed to be a barometer for our industry, a way to regularly check the pulse and share insights that matter.

We'll be asking pressing questions like:

- **How do leaders feel about the current state of the market?** Is there cautious optimism, or are concerns mounting?
- **What are the confidence levels for the months ahead?** Are TA leaders preparing for growth, or bracing for tougher times?
- **Where are the opportunities, and what challenges should be the priority focus be now and in the future?**

This report delves into these questions, highlighting the most important trends from our inaugural survey (2024 Q4). With fresh insights, we capture a first snapshot of market confidence from our members' perspectives, the role of transformative technologies like AI, and the powerful influence of emerging practices like flexible working and skills-based hiring.

It's our intention 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. We're tapping into their expertise, resilience, and forward-thinking strategies to bring you a comprehensive picture of what lies ahead. In a rapidly evolving landscape, this report isn't just a summary, it's a guide to navigating the future.



Trends and the Future of the Industry

1

A Focus on Stability:

The current market perception and hiring volume trends suggest that TA leaders are focusing on maintaining stability. As the industry faces a relatively neutral market, TA strategies will likely emphasise sustainable practices, retention, and incremental growth. Optimising recruitment operations is likely to be a primary focus.

2

AI and Automation:

The attention surrounding AI's implications suggests that the future of talent acquisition will heavily involve automation alongside mitigating associated risks. From screening to candidate engagement, AI will play a significant role, allowing TA teams to handle more with fewer resources while improving quality.

3

Skills Over Degrees:

The growing trend toward skills-based hiring is a major shift for the industry. This reflects the need for TA leaders to move away from conventional qualifications and degrees in favour of practical, demonstrable skills. This also implies a more personalised, candidate-centric recruitment process. The challenge surrounds the definition and validation of skills beyond simply self-determined skills measurement.

4

Recruitment Efficiency:

There's a clear push towards optimising recruitment processes, particularly through technology. TA leaders of the future will need to become experts in using data analytics, AI, and other progressive technology platforms to streamline hiring, make better decisions, and reduce time-to-hire.

5

Flexibility is Non-Negotiable:

Flexible working is now a must-have rather than a nice-to-have. Organisations that resist this trend may struggle to attract top talent, especially as remote and hybrid work models become more mainstream. TA must educate business leaders towards the implications from removing this 'benefit' and clearly predict potential impact.

6

Agility During Downturns:

The hiring freeze responses highlight the need for agility in downturns. TA leaders of the future will need to pivot quickly during periods of uncertainty, finding ways to maintain talent pipelines and engagement even when hiring slows. Incorporating market intelligence to feed into Strategic Workforce Plans will help to incorporate TA into critical business decisions.



Confidence in the Market:

A Lukewarm Sentiment

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.



Hiring Volumes

Holding Steady for Now

The good news is that most respondents expect their hiring volumes to stay the same over the next six months. In fact, 40% believe that volumes will hold steady, and 35% are anticipating an increase. Only about 25% foresee a decrease in hiring activity. This balance suggests that while some sectors may be cautious, there is some optimism in certain sectors.

It's clear that many organisations are taking a "wait and see" approach, likely influenced by ongoing global economic uncertainty, including the UK 'Budget' announcement due at the end of the month and the US Election in November, this is understandable. For some industries, the expected increase in hiring volumes could be driven by the need to fill talent gaps in specialised roles - particularly in areas like technology, healthcare, and professional services.

However, the companies planning to hold steady on hiring volumes may be signalling that they are focusing on internal optimisation and skill development. This could indicate a strategic shift towards "doing more with less" while ensuring that they are poised to scale up when the market stabilises.



AI and Automation:

Friend or Foe?

One of the most talked-about trends in TA is the rise of artificial intelligence (AI) and automation. The majority of survey respondents identified AI as a critical factor impacting recruitment. This is hardly surprising, as tools powered by AI are becoming essential for everything from sourcing candidates to automating administrative tasks and enhancing decision-making.

However, the implementation of AI is not without its challenges. TA leaders are grappling with questions about how to integrate AI tools in ways that enhance the human elements of recruitment without creating impersonal processes. The challenge is striking the right balance - using AI to streamline tasks while keeping a human touch in areas where empathy, insight, and intuition are essential.

AI is no longer a distant future - it's here now, reshaping how we approach talent acquisition. Leaders who embrace it are likely to gain a competitive edge in efficiency and candidate experience, while those slower to adapt may find themselves falling behind. Creating Governance surrounding the application of AI will become critical and will certainly require a level of cross industry collaboration.



The Rise of Skills-Based Hiring

Skills-based hiring is another area gaining interest. More and more TA professionals are shifting their focus from traditional education credentials to a candidate's practical skills. In fact, 58 respondents highlighted this as a priority.

This shift comes as industries face the pressing need to adapt to rapidly changing technologies and workflows. A candidate's ability to perform specific tasks often outweighs where - or even if - they went to university. Skills-based hiring also supports diversity and inclusion goals, opening the door to a broader range of candidates who may have been overlooked in the past.

As this trend continues, we may see companies investing more in assessing and developing specific skills rather than relying on traditional resumes and job descriptions. The next evolution of this approach will focus towards skills adjacency for hiring into newly created roles as part preparation for the Future of Work.



Flexible Working:

A Continued Priority

The ongoing demand for flexible working remains strong, as highlighted by a significant portion of survey respondents. Flexible and remote working arrangements, which became mainstream during the pandemic, are not going away. Instead, they're becoming embedded into the fabric of how many organisations operate.

This trend reflects not just a response to employee preferences but a broader recognition of how flexibility can enhance productivity and attract top talent. TA leaders are aware that flexibility is now a key differentiator for candidates, and those who fail to adapt may struggle to compete in a candidate-driven market.

Companies that embrace flexible working options are likely to see stronger retention rates and greater access to diverse talent pools, particularly as competition for talent continues to intensify. Yet with downward pressure on organisations to reduce cost and increase productivity, there are already a number of prominent organisations removing this benefit in order to encourage workers back into the office. Challenging times for TA leaders to navigate!



Conclusion

Adaptability is the Name of the Game

The Resourcing Leaders Confidence Index Survey 2024 Q4 2024 makes one thing clear: TA leaders are navigating an evolving and complex landscape. From the rise of AI to the growing importance of skills-based hiring and flexible work, the talent acquisition industry is in a state of flux. However, amidst these changes, there is a sense of cautious optimism.

Leaders in the field are learning to adapt to these changes, and those who embrace the challenges and opportunities presented by technology and changing work dynamics will be well-positioned to thrive in the months and years ahead.

The road ahead is uncertain, but by staying agile, responsive, and innovative, TA professionals can ensure their organisations are ready for whatever comes next.

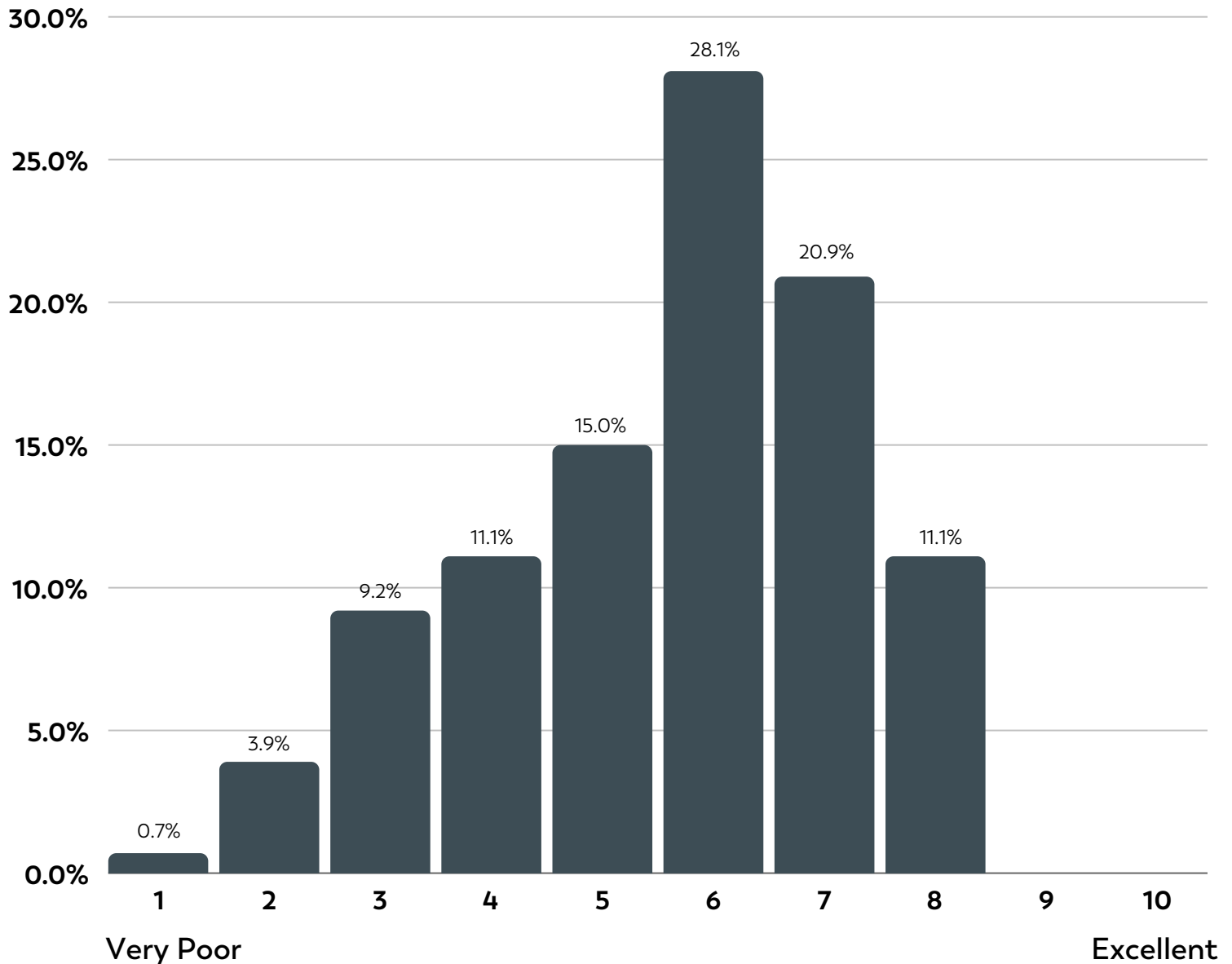
The next edition of the Confidence Index Survey will run in Q1 2025 - allowing us to continue to understand the changing landscape and track changing attitudes and areas of priority focus.



Appendix

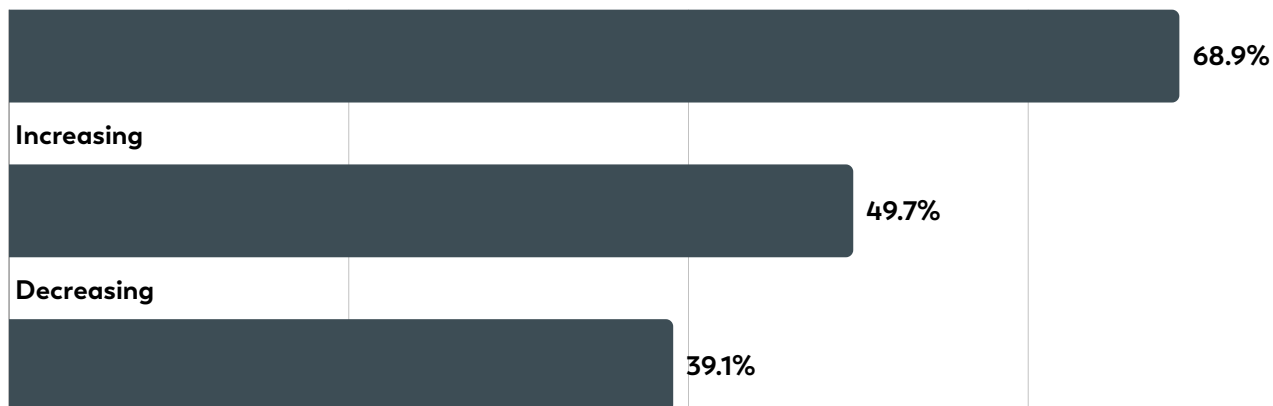


Market Perception: How would you rate the current market conditions for TA? (1 - 10)



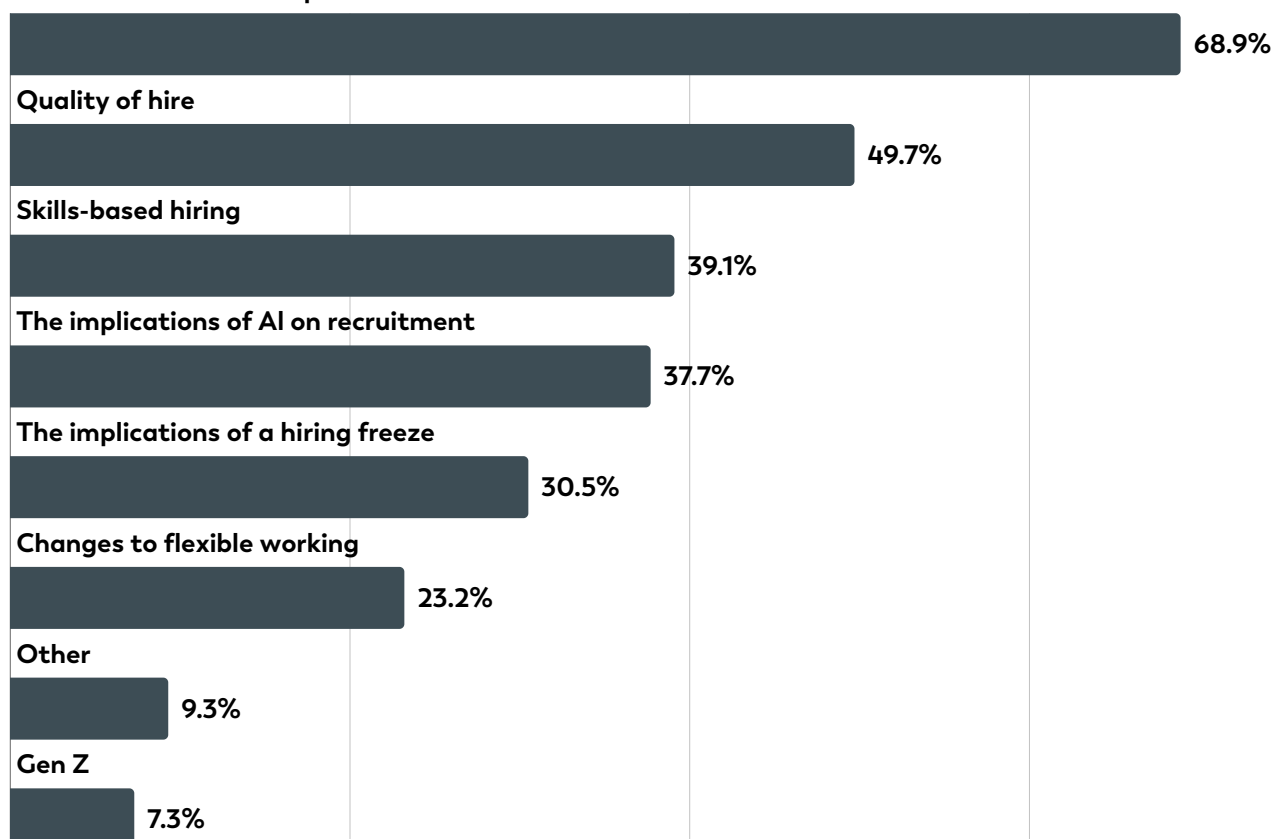
Do you foresee your hiring volumes increasing, decreasing, or staying the same in the next six months?

Staying the Same



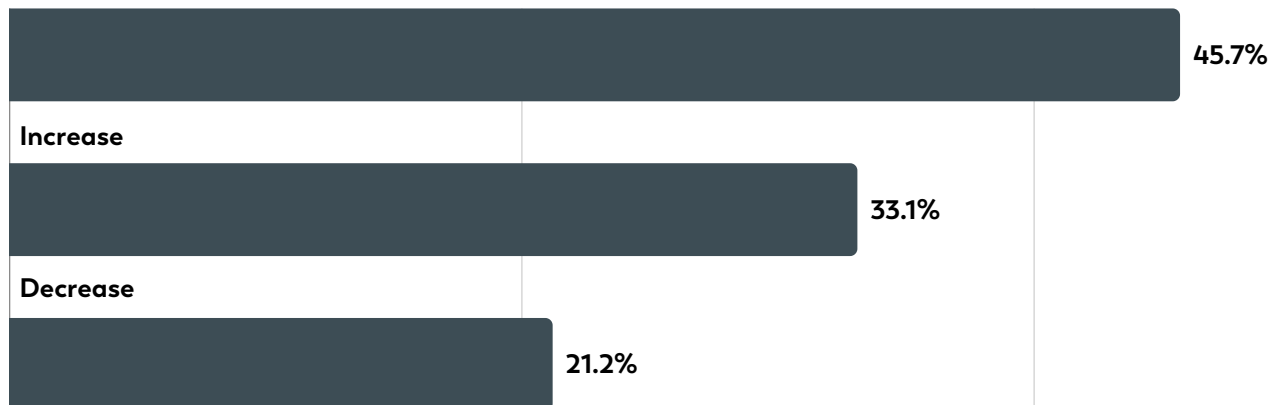
What are the top three challenges you are facing now and in the next 3 months in talent acquisition?

Recruitment function optimisation



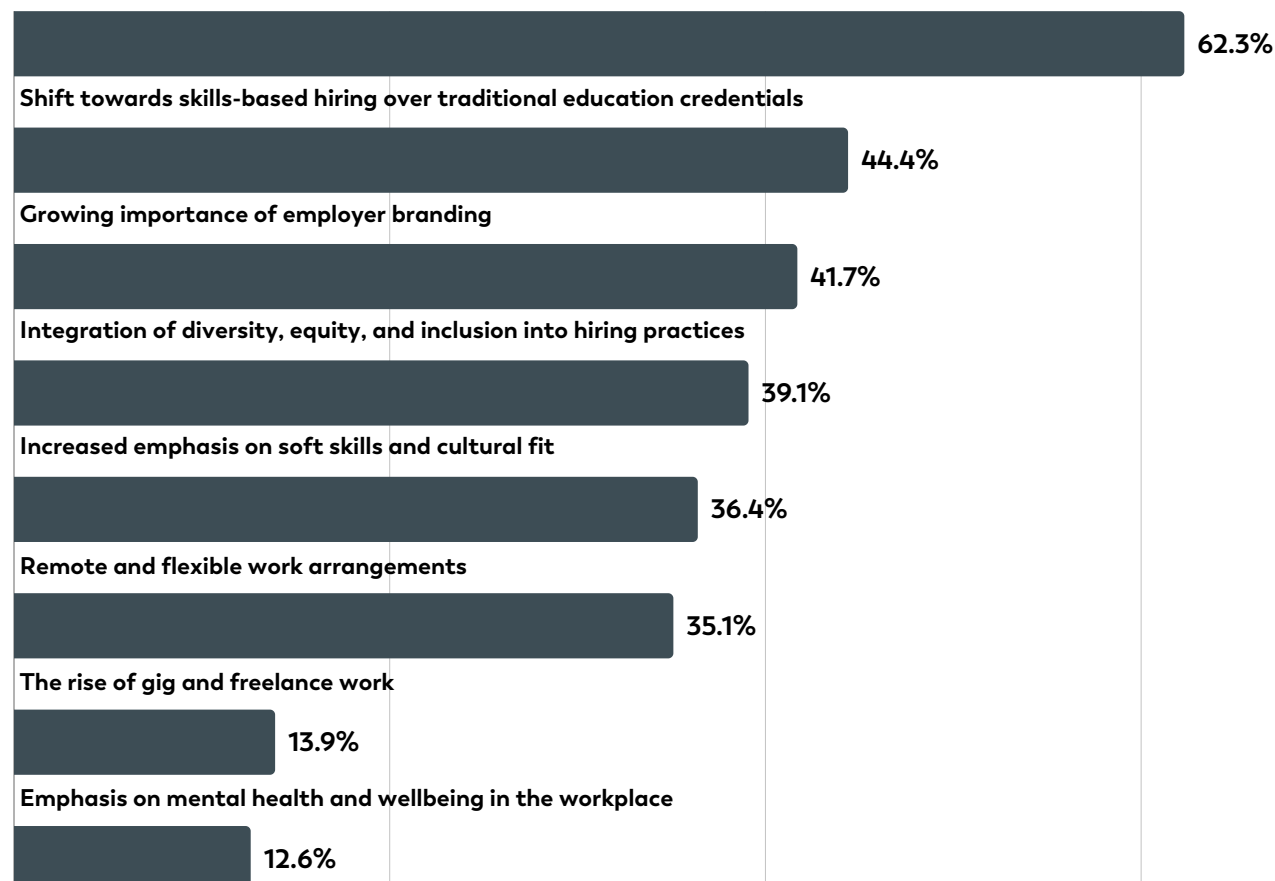
Over the next six months, do you anticipate your recruitment budget will increase, decrease or remain the same?

Remain the Same



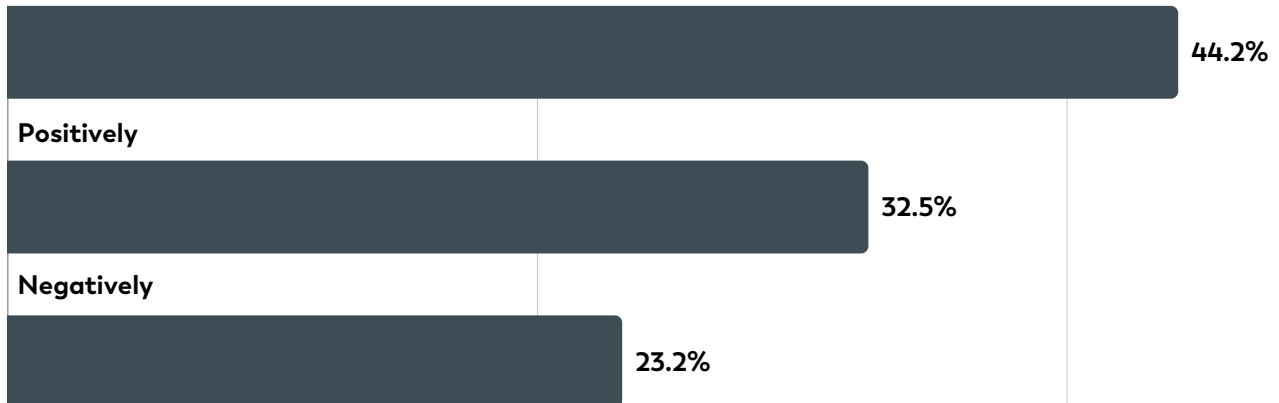
Please select up to three trends you believe will have the greatest impact.

Advancements in AI and automation for recruitment

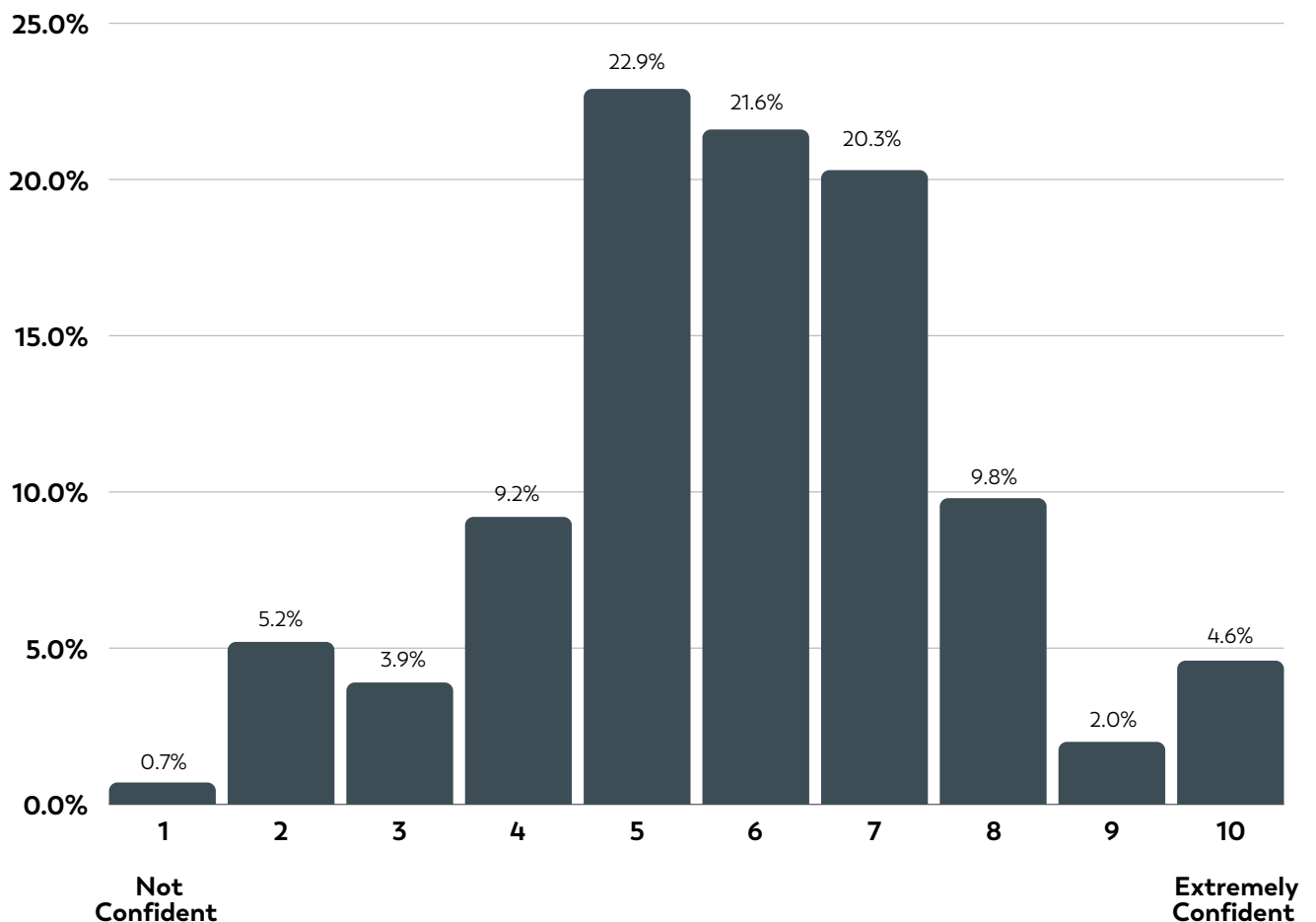


How does the shift towards remote or hybrid work models continue to impact your talent acquisition strategy?

No Significant Impact



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?

Talent acquisition-focused (Focusing on hiring processes, speed, and efficiency)

36.9%

Recruitment-focused (Concentrating on meeting immediate hiring needs and targets)

32.9%

Talent-focused (Prioritising candidate experience, engagement, and development)

18.1%

Resourcing-focused (Ensuring optimal allocation of talent within the organisation)

7.4%

HR-focused (Aligning recruitment with broader human resources functions and policies)

4.0%

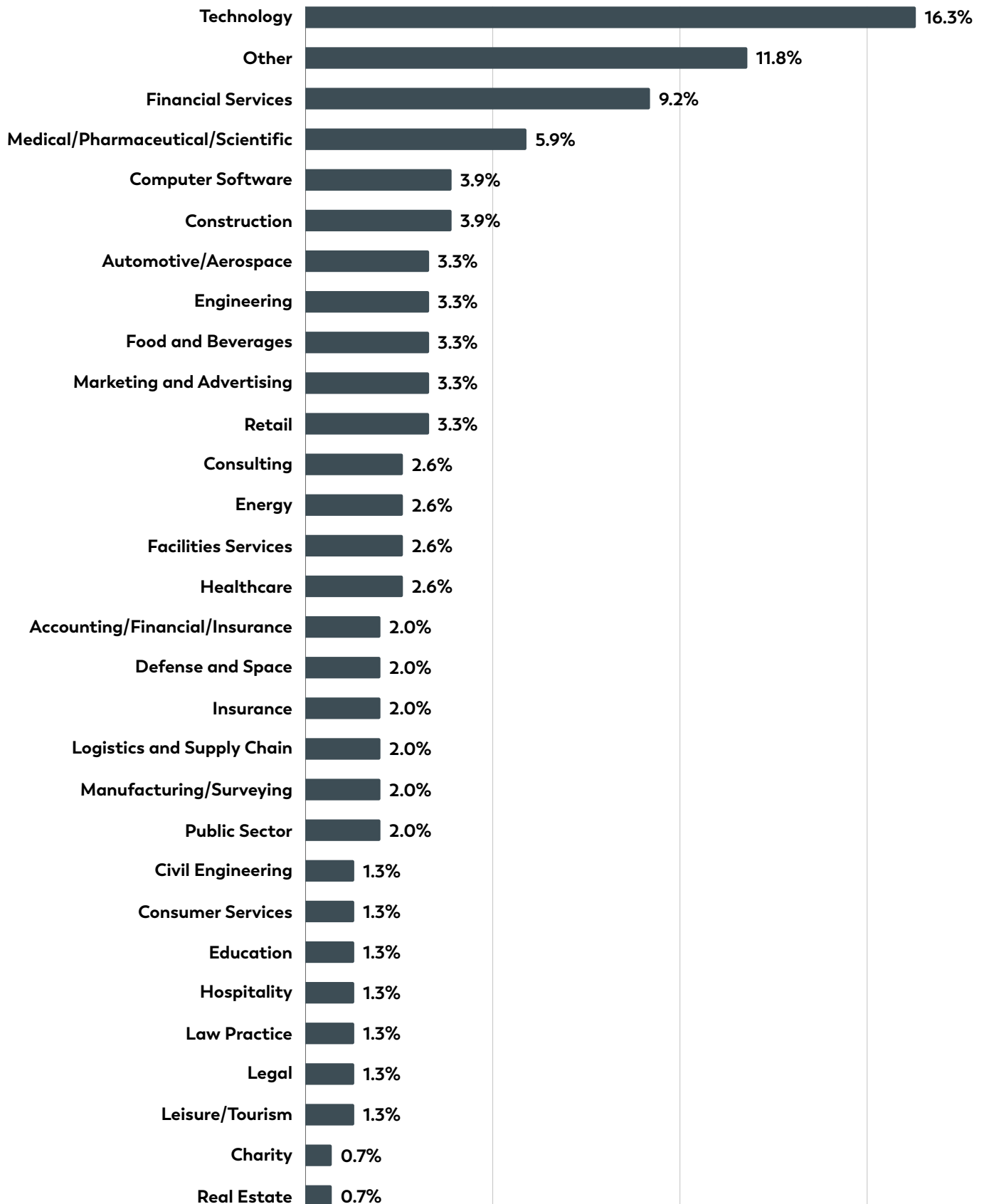
Considering outsourcing recruitment processes to an RPO provider to manage hiring need

0.7%

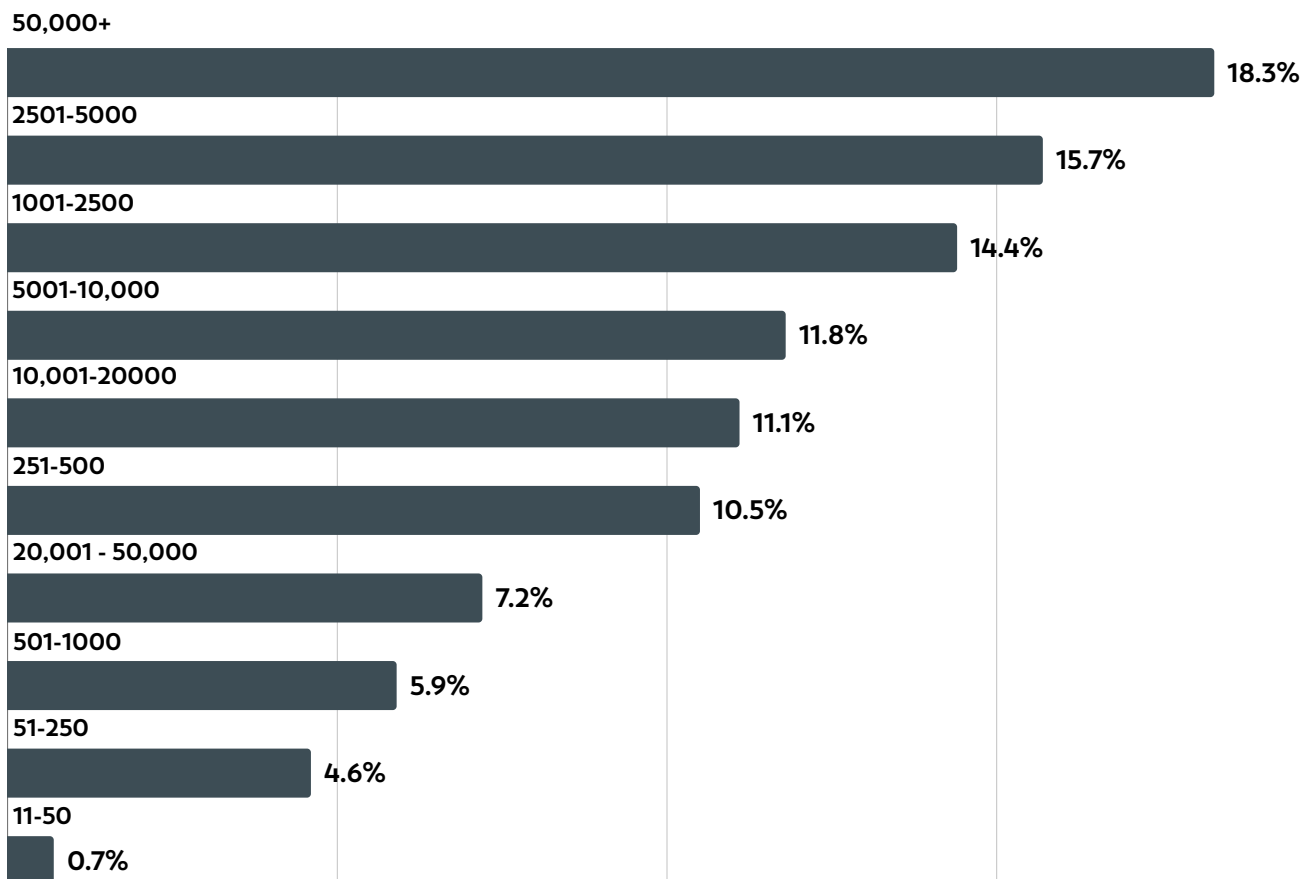
Other

0.7%

What industry does your company serve?



How many employees are in your organisation?



What regions do you cover?

Europe/UK

