



The 2026 Talent Outlook:

What's Next for UK Employers?

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2025: The Year Recruitment Got Strategic

As 2025 unfolded, the UK labour market entered a defining phase. After years of volatility and rapid change, businesses across every sector began to prioritise strategic hiring over speed. It wasn't about filling roles quickly anymore, it was about building the right teams with the right people for long-term growth.

Employers who focused on candidate experience, workforce planning, and data-led hiring decisions navigated the turbulence the best. Those who didn't are now facing longer time-to-hire, tougher competition for skills, and rising salary expectations.

At Yolk Recruitment, we've seen a clear shift in what successful hiring looks like. It's less about "who's available" and more about who will add long-term value. As we move toward 2026, one thing is certain: the employers who continue to adapt will lead the way.



The State of the Market: Where We Are Now

The UK employment market is tight but resilient. According to the ONS, job vacancies dropped to their lowest point since 2021 this year, yet candidate demand in specialist areas remains strong. Sectors like engineering, technology, financial services, and legal continue to see skill shortages, particularly in transformation and regulatory roles.

However, many employers are competing for the same limited talent pool. We saw:

76%

76% of businesses struggle to find high quality, available talent when recruiting

7%

A 7% increase in the average time-to-hire compared to 2024

5.8%

Wage growth stabilising at around 5.8%, after a peak of 7% in late 2024

Despite market challenges, hiring confidence is returning, but with more caution, planning, and emphasis on retention than in previous years.

Emerging Talent Trends for 2026

The next 12 months will see major shifts in how employers attract and retain talent. Three clear themes are already shaping 2026:

01. The Rise of Retention-Focused Hiring

The focus is moving from just filling gaps to future-proofing teams. Employers are realising that retaining skilled staff is just as important as recruiting them. Development opportunities, internal mobility, and clear progression are now at the heart of competitive offers.

02. Candidate Experience as a Differentiator

In a market where candidates have options, a clunky process can lose a top hire. From faster communication to clearer salary ranges and streamlined interview stages, employers who treat candidates like customers will win.

03. Data-Driven Decision Making

Data is now central to recruitment strategy. Employers are actively seeking talent reports and using analytics to benchmark salaries, identify skills shortages, and forecast workforce needs. Employers are ensuring hiring decisions align with business goals, and not just headcount targets.

04. Changing Candidate Behaviour

Fewer people expect to move jobs in 2026, with most citing economic uncertainty, meaning hiring will only get tougher. Whilst seeking a higher salary is still a key driver for moving, job security, job satisfaction, company culture and flexible working continue to grow in importance, as job seekers get pickier.

Job Searches for Hybrid and Remote roles grew **20%** while the amount of fully remote roles advertised dropped **41%**

Company culture now ranks in the **top 5** considerations for choosing a new role

50% of candidates admitted to walking away from a hiring process that took too long

Sector Spotlight: Where Demand is Rising

Yolk's specialist teams have identified clear hotspots of activity heading into 2026:

Engineering & Technical

Demand for senior design engineers, maintenance leads, and project managers continues to rise as UK manufacturing retools for automation and sustainability.

Technology & Digital

AI adoption and cyber resilience are driving a surge in demand for developers, data specialists, and transformation consultants.

Legal & Financial Services

Regulatory change, ESG mandates, and fintech growth are reshaping hiring needs across these professional sectors.



UK job vacancies have fallen from 988,000 in 2023 to 723,000 in 2025, a decline of around 27%. The largest drop came between 2024 and 2025, reflecting tighter economic conditions and more deliberate hiring. This highlights the need for efficient processes, competitive packages, and a strong candidate experience to secure top talent in a tighter market.

What Employers can do now

01. Build Talent Pipelines Before You Need Them



Relying on reactive hiring slows growth. By maintaining contact with potential candidates and investing in employer brand visibility, businesses can cut time-to-hire significantly.

02. Communicate Culture and Career Growth



Salary still matters, but now, according to a 2025 study from Indeed, candidates rank career progression and company culture as top priorities. Clear pathways and transparent values are non-negotiable.

03. Partner with Market Experts



Working with a specialist recruitment partner provides access to passive talent, real-time market data, and sector insight that's hard to replicate internally.

04. Have a Strong Employer Value Proposition (EVP)



As candidates become more selective and skill shortages intensify, a well-defined EVP backed by authentic stories and evidence is key. Job seekers now expect clear company values, purpose, culture, training, personal growth, flexible working options, and a focus on employee wellbeing.

Considerations for 2026

63%

This is the percentage of jobseekers who said they were "more selective" about roles in 2025

5%

Hiring intention dropped 5% between 2024-2025, the sharpest slowdown since 2020

79%

The percentage of candidates ranking flexible working as a top priority in 2025 vs 69% in 2024

Yolk's Take on 2026

The hiring landscape in 2026 won't be easier, but it will be smarter. The winners will be those who plan ahead, stay flexible, and view hiring as an investment, not a transaction.

As we look forward, Yolk Recruitment will continue to champion a people-first approach to hiring: combining deep sector knowledge, innovative sourcing, and data-backed strategies to help our clients build teams that last.

Get Ahead of the 2026 Hiring Market

If you want to enter 2026 with a stronger hiring strategy, a clear view of the talent landscape is essential.

Our free, bespoke talent reports give you an accurate picture of real-time candidate availability, salary benchmarks, hiring trends, and skill demand in your specific market. Each report is built using live data from your region and your niche, helping you understand how competitive the landscape is and what you need to do to secure the right people next year.

Businesses that make informed decisions early tend to hire faster, reduce cost per hire, and avoid bidding wars in Q1.

By requesting a tailored report now, you'll know exactly what the talent pipeline looks like, where the shortages are emerging, and how to shape your 2026 hiring plans before your competitors catch up.

If you want to future-proof your team, this is the simplest step you can take.

[Click here to request your free Talent Report](#)



Ready to hire smarter in 2026?

Let the specialists at Yolk help.



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