

Market Insights Report

Hiring Hesitation on the Rise

In a climate of shifting recruitment intentions, rising caution, and concerns around amendments to the Employment Rights Bill, organisations need more than reactive hiring – they need a strategic approach to talent that truly results in a return on investment. At Omni, we understand that fluctuating employment trends and tightening labour markets demand agility, insight, and forward planning.

Although overall hiring intentions have dipped, particularly in construction, the picture isn't uniform across all sectors. Higher-paid industries such as finance, professional services, public

administration, and tech continue to show resilience, with employment intentions holding steady or even improving. Skilled roles in particular remain in demand, and organisations must continue to work hard to attract and retain the talent they need – especially as competition for specialist skills persists despite wider caution in the market.

It's also important to note that while there is evidence of hiring hesitation, 61% of employers are still recruiting, and if organisations are to sustain and exceed growth, hiring freezes can't and won't last indefinitely.

Louise Shaw

MANAGING DIRECTOR AT OMNI

Recruitment Trends

HIRING HESITATION ON THE RISE

Hiring intentions are falling across most sectors, especially in construction, care, and retail.



The net employment balance has dropped to **+8** (from **+13**) – its lowest level since 2020 – with fewer employers planning to increase employees.

Private sector recruitment sentiment is at a record low (outside the pandemic), and **61%** of employers plan to hire in the next three months – down from **67%** in autumn 2024. This signals growing caution, but it's worth noting these are intentions, not certainties.

Job Vacancies

VACANCIES CONTINUE TO SHRINK

UK job vacancies fell by **42,000** this quarter, to **761,000**, the 34th consecutive quarterly drop, now sitting below pre-pandemic levels.

Vacancy numbers fell in most sectors – construction saw the steepest drop (**–27%**). The average number of unemployed people per vacancy is now 2.1, the highest since 2016, suggesting more competition for fewer roles.

One-third of employers still report hard-to-fill vacancies, especially in healthcare, education, and construction – putting upward pressure on salaries.



Employment Overview

EMPLOYMENT RATE STABLE, BUT CHALLENGES REMAIN

Employment remains steady at **75%**, but unemployment has edged up to **4.5%**.

Economic inactivity has fallen slightly, particularly among those previously off work due to illness or family responsibilities.

More people are now working multiple jobs – **3.9%** of workers hold second roles, the highest in over a year.



Redundancy Outlook

REDUNDANCY INTENTIONS REMAIN ELEVATED

24% of employers expect to make redundancies before June – consistent with last quarter but still above autumn 2024 levels.

However, actual redundancies remain low, with just **3.8** per **1,000** employees affected. This gap between intent and action may reflect stronger retention strategies or delays in redundancy implementation.

Redundancies

1 in 4 (24%) planning to make redundancies, unchanged from last quarter (CIPD).



Redundancies

Three months preceding interview

0.038%

The number of individuals experiencing redundancy in the three months preceding their interview decreased to 3.8 per thousand employees for the period of January to March 2025 (ONS).

Pay Trends

PAY GROWTH SLOWS, BUT REAL WAGES IMPROVE

Regular earnings
down from 5.9% to 5.6%

1.8% growth in real terms

Regular earnings rose **5.6%** year-on-year (excluding bonuses), though growth is slowing. Real pay growth (adjusted for inflation) now stands at **1.8%**.

Construction and retail saw the highest pay rises, while finance and business services lagged behind. Looking ahead, the median expected pay rise remains at **3%** – steady across private, public, and voluntary sectors.

How Omni Can Help

Our Recruitment and Strategy services help employers make data-led workforce decisions, from forecasting and workforce planning to employer branding and skills mapping. We work with you to build a talent strategy that supports both immediate needs and long-term goals – ensuring your organisation stays resilient, competitive, and ready for what's next.

For organisations facing the pressure of reduced capacity or budget constraints, our Recruitment Process Outsourcing (RPO) solutions offer built-in flexibility and scalability. Whether it's fully outsourcing your recruitment function or embedding expert support into your team, our RPO partnerships give you the structure, systems, and expertise to recruit efficiently and effectively as and when you need it, even in uncertain times.

Get In Touch

Get in touch with us today to talk through your resourcing needs. Our award-winning RPO and talent strategy experts are always available.

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