

# Talent Trends Report

## May 2025

Data and insights correct as at 30<sup>th</sup> April 2025

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# Hiring Headlines

May 2025

## Recruiting Environment Summary:

Hiring conditions remain challenging in early Q2, as businesses continue to manage cost pressures, economic uncertainty and tighter recruitment budgets. Permanent placements have now dipped for 31 consecutive months - but encouragingly, the rate of decline has eased. Temporary hiring is also slowing at a gentler pace and candidate availability remains high due to redundancies and restructures, giving employers greater access to talent.

While the market hasn't fully rebounded, signs of stabilisation are emerging. This presents a valuable window for businesses to take stock, optimise their hiring strategies and build strong pipelines.

## At a glance...

- **Permanent placements fell** again, but at the softest pace in seven months
- **Temporary hiring declined** for the 10th month in a row, though more slowly
- **Candidate availability increased** at one of the fastest rates since late 2020
- **Demand for staff continued to weaken**, with both perm and temp vacancies down
- **Starting salaries rose** again, but pay inflation remains below long-term norms
- **Temp pay grew** at its fastest rate in nearly a year, driven by minimum wage increases



"A softening in the pace of the hiring slowdown failed to bring any significant green shoots for the jobs market in April, as recruitment continued to be muted and the number of people looking for jobs increased. This is unsurprising, with businesses facing several pressures due to current global economic uncertainty and rising costs, it is unlikely to lead to a sudden turnaround in the market in the near term."

**Jon Holt, Chief Executive and Senior Partner of KPMG in the UK**

"Given the bow wave of costs firms faced in April, maintaining the gradual improvement in numbers we have seen over the past few months is on the good end of our expectations. While we are yet to see real momentum build, hopes of an improving picture in the second half of the year should be buoyed by today's data."

**Neil Carberry, REC Chief Executive**

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\*Data from S&P Global REC/ONS April 2025

# Insights in Detail

May 2025

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## **Permanent placements fell again (but at the softest pace in 7 months)**

The sudden and significant increase in available talent due to widespread redundancies presents both an opportunity and challenge. While there is a larger pool to recruit from, this does not automatically translate into easier or faster hiring - especially when internal recruitment teams are lean or stretched.

Issues

**Delayed strategic growth** – Postponing hiring now may result in long lead times when you need to scale, forcing reactive recruitment and reducing the quality of hires.

**Talent disengagement** – High-quality candidates who are available now may not wait around, especially if they receive offers from more proactive competitors.

**Missed early-mover advantage** – Businesses that are already reactivating their pipelines will be better positioned to move fast and secure top talent when conditions improve.

2

## **Temporary hiring declined for the 10th month in a row**

Temporary hiring continues to slow, though it remains a critical strategy for many businesses needing workforce flexibility. This cautious approach may limit the ability to adapt quickly to demand fluctuations.

Issues

**Short-term gaps unfilled** – Essential short-term needs may go unmet, causing delays in project timelines, reduced productivity and greater pressure on core teams.

**Over-reliance on stretched teams** – Without interim support, permanent employees may be forced to take on additional workload, increasing stress levels and leading to burnout or disengagement.

**Loss of workforce flexibility** – Scaling temp support down too far can leave businesses exposed if demand suddenly increases, forcing rushed hiring or overpaying for urgent cover.

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## Candidate availability increased sharply

With more candidates actively seeking roles, businesses have access to a wider talent pool. However, without the right screening and process support, this influx can overwhelm internal teams and dilute hiring quality.

Issues

**CV overload** – Large volumes of applications can slow down screening, dilute focus on key criteria and lead to qualified candidates being overlooked or delayed in the process.

**Longer time-to-hire** – The sheer number of applicants can extend the shortlisting and interview stages, causing you to lose high-potential candidates to quicker-moving competitors.

**Risk of poor candidate experience** – Inconsistent communication or lack of feedback during a high-volume process can damage your employer brand and reduce re-engagement later.

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## Demand for staff continues to weaken

Hiring demand remains low, but the rate of decline is easing - indicating potential market stabilisation. Businesses must not confuse lower vacancy volumes with lower risk, as critical skill gaps may persist.

Issues

**Skills shortages still exist** – Despite fewer advertised roles, demand for specialist skills in areas like tech, compliance and operations remains, making these roles just as difficult to fill.

**Pipeline building is neglected** – Without ongoing engagement, businesses risk losing touch with future-fit candidates who will be harder to reach when hiring needs return.

**Team capability gaps widen** – Holding back on replacement or growth hiring may lead to overextended teams, skill gaps and underperformance over time.

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## Starting salaries rose again (below long-term average)

Starting salaries are edging upward, especially in competitive areas, though still below historic norms. Employers must remain conscious of salary positioning to avoid losing candidates or creating internal pay tension.

Issues

**Offer-to-acceptance risk** – Below-market offers may be rejected or negotiated, prolonging the hiring process and increasing the risk of dropouts before contract.

**Pay disparities within teams** – Bringing in new hires at higher rates than current staff can damage morale, prompt internal turnover and create pressure to raise salaries more broadly.

**Hard-to-fill roles still demand premiums** – Candidates in high-demand fields expect competitive packages; under-offering can cause recurring vacancies and reputational damage.

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## Temp pay grew at fastest rate in almost a year

Pay for temporary workers has risen, driven by wage legislation and market competition. While necessary for talent retention, this can strain short-term budgets and complicate cost control.

Issues

**Cost creep in temp hiring** – Even small increases in hourly rates can significantly impact project costs or monthly budgets when scaled across multiple contractors.

**Retention challenges** – Without competitive rates or engagement, temporary workers may leave mid-assignment for better offers, causing disruptions and repeat hiring costs.

**Strain on rate negotiations** – Higher candidate expectations can make it harder to reach agreement, prolonging the hiring cycle and limiting access to quality temporary talent.

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# Next steps: Plan smarter now, to hire faster later

1. Fill business-critical roles quickly	2. Use contract resource to stay flexible	3. Take advantage of candidate availability	4. Speed up your hiring process	5. Get expert market insight, fast
<p><b>Are critical roles still sitting vacant while productivity slows?</b></p> <p><b>What to do NOW:</b> Don't delay on roles that directly impact delivery or revenue. The right candidate today can solve tomorrow's bottleneck.</p>	<p><b>Do you have the short-term support you need to stay agile?</b></p> <p><b>What to do NOW:</b> Fill temporary gaps, scale up for busy periods, or add project-based expertise - without long-term headcount risk.</p>	<p><b>Are you making the most of today's active talent market?</b></p> <p><b>What to do NOW:</b> The best candidates are more open to change due to market shifts. Now is the time to secure them - before the competition does.</p>	<p><b>Is your hiring process costing you top talent?</b></p> <p><b>What to do NOW:</b> Delays between CV, interview, and offer lead to dropouts. A faster, more streamlined process means better results.</p>	<p><b>Do you know what candidates expect - before you go to market?</b></p> <p><b>What to do NOW:</b> Misaligned salary or role expectations can waste time. Knowing the market lets you make competitive, realistic offers.</p>
<p><b>How we can help:</b> We deliver fast, targeted shortlists for urgent vacancies - backed by real sector knowledge and access to ready-to-move candidates.</p>	<p><b>How we can help:</b> We supply fully-vetted interim professionals across legal, insurance, tech and business services - often available at short notice.</p>	<p><b>How we can help:</b> We actively engage passive and active candidates and present only those who match your brief, culture, and timing.</p>	<p><b>How we can help:</b> We manage candidate comms, schedule interviews, and keep things moving - so you don't lose momentum or miss out.</p>	<p><b>How we can help:</b> We offer salary benchmarking, role scoping advice, and insight on candidate availability in your specific sector.</p>

# Talent. Delivered. Fast.



At Gerrard White (part of the GWV Group), we are redefining recruitment by prioritising genuine relationships and personalised engagement over transactional processes. Going the extra mile is in our DNA. Our expert recruiters go above and beyond what clients and candidates expect from a traditional recruitment agency. Through our transparent and reliable approach, we build relationships that last. With vast expertise in the insurance and financial service sectors and across the legal, data and tech job market, our consultants excel in understanding market dynamics, building networks, and delivering innovative solutions.

For clients, we quickly source and select the very best talent from our vast network of candidates, ensuring cultural and skills fit within your time and budget constraints. For candidates, we open doors to diverse opportunities, matching aspirations with roles that align with their needs and expectations.

We believe in a consultative approach, working in partnership with our clients to deliver exceptional talent time and again. Our dedication to understanding industry challenges, coupled with our compliance expertise, ensures comprehensive workforce solutions for clients and candidates alike.

At Gerrard White, people come first. We thrive on building genuine relationships, continuous communication and personalised engagement. Choose us as your partner for legal, tech, SAP, and insurance talent needs across the UK, Europe, and the US.

**Let us help you find the talent you need for tomorrow, **today.****

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