The Future of Recruiting 2023
The United Kingdom

LinkedIn Talent Solutions
Introduction

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You can’t foresee the future – but you can help create it.

It’s a challenging and pivotal time to be a recruiting leader. Between the uncertain economy and new trends reshaping the world of work, you have the opportunity to become a true change-maker at your organisation.

You’ll have to be strategic, adaptable, and acutely in-tune with talent: what candidates want, what skills they possess, and how their careers can grow with your business.

To help you prepare, this report offers 17 predictions based on interviews with global talent leaders, surveys of thousands of recruiting professionals, and analysis of millions of data points generated on LinkedIn.


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Role of recruiting
Recruiting will be recognised for driving business-critical changes.

You were rocked by the pandemic and rose to the challenge of the Great Reshuffle. There’s no question that recruiting is becoming more strategic, and 65% of TA professionals say the team can claim a seat at the proverbial table.

But now recruiting leaders “have the opportunity to actually change the seats at the table”, says Microsoft’s Brett Baumoel. “You’re going to truly change the table itself.”

As a change-maker, your influence will be felt across the C-suite – from talking comp with the CFO, fine-tuning your employer brand with the CMO, to addressing skill gaps with the CLO (Chief Learning Officer).

Recruiting professionals have never been able to make a bigger impact than right now. You used to be able to say, ‘These hires helped our company.’ Now you can say, ‘I changed the make-up of our company, I changed where we work, I changed what we look for, and I changed how we hire’.”

Brett Baumoel, VP of Global TA, Engineering at Microsoft

81% of recruiting pros say TA has become a more strategic function over the past year.
Recruiting will have more say over pay.

Rising inflation. Stagnating real wages. A stubbornly competitive labour market. With these three trends on a collision course – and with compensation ranked in the top priorities for candidates in The United Kingdom – something has got to give.

The feedback loop between recruiting, finance, and DEI on discussions of comp needs to be more agile than ever – particularly at a time when pay transparency is on the rise. Recruiting leaders can help their companies stay ahead of the curve by raising this conversation today.

As the leader with the clearest view of candidate priorities, labour market dynamics, and real-time recruiting performance at your company, you’re in the best position to lead the conversation about pay and its business impact – from championing comp models that favour skills over pedigree, to retaining your top talent by pushing for pay increases that keep pace with inflation.

Only 40% of recruiting pros say their companies increased salaries enough to keep pace with inflation.
Recruiting leaders know the competition for talent has not let up, even as hiring has slowed down. While less hiring typically means less power for workers, recruiting teams see that dynamic swinging back in the opposite direction over time: 61% predict that the future of recruiting will be more favourable to candidates and employees (as opposed to employers) over the next five years.

That’s why refining and conveying a clear, compelling employer value proposition (EVP) is more important than ever. With most recruiting budgets expected to shrink or stagnate, employer branding stands alone as the only line item where a majority of TA professionals expect an increased investment this year. But investing in employer branding won’t get you far if you don’t work to understand talent’s top priorities and authentically walk the walk.

"Your employer brand has to be more than a talking point used for pitching candidates – it has to become a real operating principle for your business."

- Stephen Lochhead, SVP of Global Talent Acquisition at Expedia
Recruiters will need a more strategic set of soft skills.

The skills companies need are changing fast. As LinkedIn’s CEO Ryan Rolansky likes to say, “Even if you aren’t changing your job, your job is most likely changing on you.” Recruiting teams themselves are no exception.

Adaptability, problem-solving, and communication rank among the top 5 soft skills recruiters will need in the future. As TA pros become more strategic partners, they’ll need to adjust on-the-fly and find solutions that ladder up to overarching business goals.

As companies align around skills-first hiring, recruiting teams will have to consider which skills they value most – in the workforce at large, and within their own recruiting orgs.

With the advent of the new AI Chat tools from Bing and Google providing high level and potentially similar candidate data, recruiters must bring value-add to the hiring managers, interpreting the business needs, sharing insight and expertise as well as providing the strategic vision for talent acquisition.”

Andy Headworth, Talent Acquisition Director at HMRC

Top soft skills recruiters will need in the future:

1. Communication 81%
2. Relationship building 76%
3. Adaptability 58%
4. Collaboration 51%
5. Problem Solving 51%

In the United Kingdom, recruiters with 1 or more of the Top 5 soft skills see 2.7x more promotions than recruiters without.

Source: Global LinkedIn data, as of Jan 2023.
Prediction 5 | Role of recruiting

Recruiting will collaborate more with learning and development.

The walls that once divided recruiting and learning and development (L&D) are coming down fast. While nearly three-out-of-five (52%) of TA professionals say they’re already working closely with L&D, nearly four-out-of-five say they’ll need to grow even closer in the future.

As recruiting leaders’ portfolios expand to include things like internal mobility, skills-first hiring, and employee retention, they’ll need to cooperate more with L&D to prepare internal talent for new roles, identify skill gaps, and ensure your company is a place people can grow their careers.

You’ll hear the same from UK L&D professionals: 44% say they’re working more closely with TA this year, according to LinkedIn’s UK Workplace Learning Report for 2023. Those respondents also say the #1 top focus area for L&D will be aligning learning programmes to business goals. This is where recruiting can play a complementary role in understanding what skills the company needs.

You’ll hear the same from UK L&D professionals: 44% say they’re working more closely with TA this year, according to LinkedIn’s UK Workplace Learning Report for 2023. Those respondents also say the #1 top focus area for L&D will be aligning learning programmes to business goals. This is where recruiting can play a complementary role in understanding what skills the company needs.

Jump to predictions about internal mobility and upskilling →

“TA and Learning both report to me, to ensure we’re not operating in silos. The heads of TA and L&D connect regularly to make sure we have continuity between the skills we’re hiring for and the skills we’re training internally.”

Chris Louie, Head of Future of Work and Talent Strategy at Thomson Reuters
Generative AI will let recruiters focus on the human part of hiring.

Generative AI (GAI) – i.e., tools like chatGPT that intelligently generate content – is a fascinating new technology that holds promise for talent professionals, many of whom believe it can help in time-consuming tasks, like drafting job descriptions and personalised messages to candidates, among others.

While two-thirds (68%) of hirers surveyed in February 2023* said they were “very hopeful” or “cautiously optimistic” about the impact of GAI on recruiting, hiring influencer Glen Cathey characterises himself as “cautiously exuberant”. He believes GAI can save a ton of time and let recruiters focus on the most human aspects of their jobs: listening to candidates, understanding their desires, and helping them find a new job they feel good about.

While GAI may help draft content, it’s crucial to keep a “human in the loop” – someone with the right know-how should always be there to carefully review and fine-tune generated content. “You still need to keep your hands on the wheel,” Glen says, comparing the technology to self-driving cars. “We’re not at the stage where you can let go, and we’re certainly not at the stage where you can be asleep behind the wheel.”

For the foreseeable future of recruiting, humans will still play an essential role. Humanness still matters, especially for hard-to-fill jobs, and the core of that is empathy. A good recruiter brings the opportunity and company to life, beyond what a person can see on a website or job description.”

Glen Cathey, SVP, Workforce Advisory & Digital Strategy at Randstad

*Note: These results are from a smaller survey, distinct from the other survey results found in this report, comprising over 225 recruiting professionals and hiring managers in the US; due to the smaller sample size, these results should be understood on a more directional basis.

Top recruiting outcomes hiring pros hope to see from GAI

- Automate repetitive tasks to prioritise more strategic work
- Make it faster/easier to source candidates
- Make it faster/easier to engage candidates

Percentage of hiring pros saying they’d hope to see these outcomes from integrating generative AI into the recruiting process.*

74%
67%
59%
Economic uncertainty
Prediction 7 | Economic uncertainty

Despite hiring headwinds, employers will remain committed to building a diverse workforce.

In an uncertain economy, you might think employers would pull back on efforts to **diversify their workforces**. Fortunately, that’s not the case.

Though most recruiting professionals say hiring overall has been negatively impacted, three-out-of-four say that diversity, equity, and inclusion (DEI) hiring is not being deprioritised – in fact, **13% say it’s a higher priority now**.

Work on DEI goes back decades, but it became a focal point for many in 2020, when a wave of companies **pledged to make progress on diversity**. Whether they deliver on that largely remains to be seen, and you might look at these survey results with the same scepticism – is it aspirational happy talk, or a real plan of action? Employees, candidates, and consumers alike will **hold businesses to their commitments**.

Now more than ever, people starting their careers or looking to move employers are making value-based decisions about where to take their career. People both want – and expect – to work for an employer that reflects the diversity of our society and where everyone can see themselves reflected at senior levels. Those organisations which continue to focus on attracting diverse talent will be the ones that most effectively navigate this economic storm – they will be the ones that most benefit from the creativity, innovation and stronger customer and financial outcomes of bringing together teams of people with diverse perspectives.

Diverse hiring isn’t a nice to do, it remains an imperative that will help businesses succeed.”

Kelly Metcalf, Head of Diversity, Equity, Inclusion and Wellbeing, Fujitsu
Prediction 8 | Economic uncertainty

Employers will hire more contract workers as a hedge against uncertainty.

As uncertainty grows, businesses need to be more nimble and responsive to sudden shifts in the market. To do so, employers may increasingly rely on contingent talent, like contractors or freelancers, whose labour can be scaled up and down on demand.

You can see this dynamic at play within recruiting teams themselves, though the data suggests a more stable split: 28% of companies expect to spend more on in-house recruiters this year, while 23% expect to invest more in external staffing firms.

“If you’re a recruiting leader in 2023 and you don’t have a decent mix of contingent talent, you’ll be more risk-exposed to whatever the future brings—good and bad. You need some elasticity so you can flex up or down as needed.”

Stephen Lochhead, SVP of Global Talent Acquisition at Expedia
Employer branding
Prediction 9 | Employer branding

Companies will keep a closer eye on what candidates want most.

The labour market remains tight, and talent is expected to retain the upper hand over the next five years. To stay competitive, employers will have to re-examine their employer branding and make sure it aligns with what candidates are looking for today.

Every month, LinkedIn surveys over 20,000 members globally about the most important factors they weigh up when considering a new job.

The top priority for candidates today in the UK is flexible working arrangements and excellent compensation, by a fairly wide margin, followed by job security, professional advancement and work-life balance. Happy and inspired employees and flexible working arrangements, are the two fastest growing priorities year-over-year.

There’s much more to your employer brand than good pay and flexibility and offering them may not make you stand out – but be warned: if you don’t provide them, talent will take notice.

"Good pay, balance, and flexibility – they’re essential and we absolutely provide that. But honestly, that’s not what we call out in our employer branding, because that’s not what makes us unique. Nowadays, that’s the minimum companies need to provide to attract candidates."

Michaela Schütt, Head of Global Talent Acquisition at Siemens

**Most important priorities for candidates:**

1. Flexible working arrangements **52%**
2. Compensation **49%**
3. Job Security **39%**
4. Advancement **38%**
5. Work-life balance **37%**

Survey data: Talent Drivers, as of Dec 2022.

**Fastest growing priorities for candidates:**

1. Happy & Inspired employees **+12%**
2. Flexible work **+9%**
3. Supportive management **+8**
4. Collaborative company culture **+7%**
5. Shared values (Company vs Own) **+4%**

Source: Global LinkedIn Talent Drivers survey, as of Jan 2023.
Recruiting professionals will recalibrate their pitches to candidates.

You learned what candidates want in an employer – but how does that compare to what employers think candidates want?

To find out, we gave around 2,000 recruiting professionals globally the same survey question already answered by 20,000 candidates and asked them to guess candidates’ top priorities. Comparing the two sets of answers reveals some interesting misalignments.

Recruiting professionals tend to get tunnel vision on the most important priorities, to the detriment of other still-important factors. In reality, candidates’ preferences are more diffused and less top-heavy than a simple list might suggest.

So instead of fixating on the particulars of your flexible work policy, hone in on the end result – happy and inspired employees – and don’t neglect other aspects of your company culture that foster happiness. Rather than only focusing on how people can advance within your org, show candidates how they can develop new skills to elevate their career, whether or not they choose to stay at your company.

“When the economy recovers, the competition for talent is going to spike back up very quickly. So it’s really important for companies to make progress in how they position their employer brand and, more importantly, how they bring it to life.”

Marc-Etienne Julien, Chief Talent Officer at Randstad Global

When estimating what candidates care about...

**Overvalue:**
- Flexible working arrangements
  - Candidates: 52%
  - Estimates: 75%
- Opportunities to advance
  - Candidates: 38%
  - Estimates: 64%

**Undervalue:**
- Employee happiness
  - Candidates: 35%
  - Estimates: 21%
- Opportunities to develop skills
  - Candidates: 30%
  - Estimates: 20%
Prediction 11 | Employer branding

Gen Z will reward employers who value development and diversity.

Gen Z – professionals born later than 1996 – are already a major part of the workforce. Many are just getting their careers off the ground, and their priorities reflect that.

Gen Z’s priorities are significantly different from their parents’ generation, Gen X. Helpful and supportive management and career growth are super important to younger workers: they’re over 44% more likely to value moving up the ranks, compared to Gen X.

The younger generation is also much more focused on the importance of having an inclusive work environment.

Helpful and supportive direct managers
+50% more likely to prioritise than Gen X

Opportunities for career growth within the company
+38% more likely to prioritise than Gen X

Inclusive workplace for people of diverse backgrounds
+31% more likely to prioritise than Gen X

Source: Global LinkedIn Talent Drivers survey, as of Dec 2022.
Skills-first hiring
Skills-first hiring will become the gold standard.

Globally, slowly but steadily, recruiting teams have begun to embrace skills-first hiring – the practice of valuing a candidate’s skills over more superficial signals like an impressive alma mater or previous employer.

Now, skills-first hiring is poised to be the way of the future. Three quarters of recruiting professionals say it’ll be a priority at their company. But for some, their reach still exceeds their grasp: only 64% feel they can accurately assess candidates’ skills today. Clearly, they’ll have some catching up to do over the next few years.

How do we get better at filtering in, not filtering out? Recruiters have been trained to copy and paste a job description so they can hire really, really fast. They’re not really looking at what the work requires and what skills are needed. That’s starting to change.”

Jennifer Paylor, VP, Global Talent Innovation & Skills Transformation at Capgemini

Globally, when looking for candidates on LinkedIn, recruiters are...

+25% more likely to search by skills than they were 3 years ago, and

+50% more likely to search by skills than by years of experience.

Source: Global LinkedIn data, as of Jan 2023.

In the UK, recruiting pros predict skills-first hiring will be a priority for their company in the next 18 months.

79%
Skills-first hiring strategies will shine a light on overlooked talent

If you’re not convinced yet that skills-first hiring is the future, consider this: by being more open to candidates who don’t have college degrees, you’ll be taking a big step forward in diversifying your workforce.

There’s a growing consensus that removing four-year requirements is one of the most important things you can do to promote diversity. Members of underrepresented groups are far less likely to have attended college – but that doesn’t mean they don’t have the skills and potential to succeed. Research shows that workers who didn’t go to college but have experience perform almost as well as college grads on critical measures like productivity.

Today, one in five U.S. job posts on LinkedIn don’t require a four-year degree. That number is expected to grow as more employers look to hire people from a multitude of backgrounds who can bring different perspectives to their organization.

“Scrappy, self-taught types won’t have shiny brand names on their resume. Local community colleges are a great source of nascent tech talent that big employers never ever recruit from.”

Clyde Seepersad, SVP & GM, Training & Certification at The Linux Foundation

No degree? Increasingly, that’s no problem.

20% U.S. job posts on LinkedIn don’t require a four-year degree.

The share of these job posts has grown by +30% over 6 months.

Source: U.S. LinkedIn data, June 2022 vs. Dec 2022.
Prediction 14 | Skills-first hiring

Companies will focus on mapping the skills employees have (and need)

Skills have become a critical currency, and companies will need greater visibility into what they do and don’t have. Forward-thinking employers will map the skills of their workers as well as the skills needed for specific positions.

A whopping 91% of recruiting professionals told us that understanding employee skills is required to make informed talent decisions – though slightly less (83%) say it’s currently a priority at their company.

Mapping employees' skills will help you do a better job spotting skills gaps. It will also make it easier for you to match qualified workers within your organisation with open roles. Employees, in turn, will have an easier time finding job opportunities that fit their capabilities. Those who are lacking skills today, can then upgrade their skills to make them a better fit for the job they want.

For this to work, however, TA teams must distinguish between which skills are truly “must-haves” for a role – and which are merely “nice-to-have”.

“Business leaders need to have much more of an enterprise view into the skills across their company. If you only consider the skills on your local team, you’ll hit bottlenecks and focus more on what you can’t do, instead of what you can do.”

Stephen Lochhead, SVP of Global Talent Acquisition at Expedia

91% of recruiting professionals agree that understanding skills employees do and don’t have is necessary to make informed talent decisions.
Internal mobility & upskilling
Prediction 15 | Internal mobility & upskilling

Business leaders will recognise the value of filling open roles with home-grown talent.

Your company’s next great hire might already be on the payroll. The shaky economy is forcing companies to look within more frequently when filling open positions: 76% of EMEA recruiting professionals say internal recruiting will be an important factor shaping the future of recruiting over the next 5 years.

Internal mobility provides big payoffs, starting with higher employee retention. LinkedIn data shows that employees stay at companies almost 2x longer if the employer is highly committed to internal hiring.

There’s also a growing probability that you will be adding internal mobility to your responsibilities. As someone who understands your company’s talent needs and is skilled at sourcing, assessing, and engaging with candidates, you’re uniquely positioned to take on internal mobility.

Internal mobility will be a multi-year journey for many companies, but you can also build shorter-term wins along the way. Looking at your internal policies to make sure they align with your vision for talent mobility - that’s something organisations can do now.”

Jennifer Shappley, VP, Global Talent Acquisition at LinkedIn

Employees at companies with high internal mobility stay 62% longer.

Median employee tenure for companies in the top and bottom quartile of internal mobility.

Source: Global LinkedIn data, as of Jan 2023.
Upskilling will be a key tool for retaining a diverse workforce.

With companies facing serious skills gaps, it’s no wonder 74% of UK recruiting professionals say upskilling and reskilling employees will be an important factor shaping the future of recruiting over the next 5 years.

But there’s another reason why L&D is gaining more attention: employers understand that offering learning opportunities will be critical to advancing diversity and inclusion.

In fact, when LinkedIn asked 20,000 of its members globally how they’d like to see organisations be more inclusive of underrepresented groups, “increasing professional development and advancement opportunities” was the #1 answer in several countries, including India, Brazil, Italy, Mexico, and Japan.

There used to be a lot of emphasis on qualifications. Now, it’s much more about skills and experience, the mindset is shifting. It’s really refreshing, and it’s the first step to creating much more effective, diverse teams. Organisations need to have diverse, inclusive environments that reflect their customer base – that’s what people want. That’s what attracts talent and what retains people. Organisations haven’t got a choice; they need to shift their mindset.”

Alex Fleming, Regional President of Northern Europe at Adecco

Top ways LinkedIn members want employers to be more inclusive of under-represented groups

LinkedIn Talent Drivers survey results for India, as of Jan 2023.

1. Providing an equal pay scale for talent regardless of background – 60%
2. Providing employees regardless of circumstances – 48%
3. Learning curriculum and celebration of diverse backgrounds – 42%
Learning will be a compelling driver for candidates, not just employees.

If I join your company, will you help me develop new skills? Will you offer me a clear path to advancement? Will you help me grow, even if I only stay at your company for a couple years?

These are the kinds of questions candidates are asking and they will only get louder in the future. In the years ahead, candidates won’t just be thinking about a given job but whether that employer is the right career destination. This will be especially true for Gen Z but holds true across the UK workforce: advancement was the #4 top priority for candidates.

The bottom line: creating a culture of learning and focusing on internal mobility is not just a must-have to engage and retain current employees, it will be critical to the success of your recruiting efforts. For more on the state of learning, explore LinkedIn Learning’s recent 2023 Workplace Learning Report.

In the future, candidates will really be looking for a career destination of choice. They’re going to care about more than the role they’re hired for – they’ll want to see an integrated career development path that they can grow into.”

Stephen Lochhead, SVP of Global Talent Acquisition at Expedia
Conclusion
Conclusion

While every prediction in this report may not bear out precisely as described, preparing today will leave you better equipped for whatever tomorrow holds.

Change is coming to the world of recruiting, but that doesn’t mean you’ll be a passive observer. As a talent leader, you’re in a position to reshape the way the world works – and ensure it works for everyone.

Ultimately, the future of recruiting belongs to those willing to build it. And as a change-maker at your organisation, the future of recruiting belongs to you.

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Methodology

Survey data
LinkedIn Research surveyed 1,611 recruiting professionals in management seniority roles or higher (1,216 corporate recruiting professionals, 395 search and staffing professionals), in addition to 403 hiring managers. Survey respondents are LinkedIn members who were selected to participate based on information in their LinkedIn profile and qualified based on survey responses. This survey was conducted in six languages across 20 countries between October and November 2022.

Candidate priorities and inclusion preferences are based on LinkedIn’s Talent Drivers monthly survey of global members, including 20,396 members surveyed in December 2022. To measure candidate priorities, respondents are asked to “select the most important factors when considering a job opportunity”, and can select up to five of 15 employer value propositions. The fastest-growing candidate priorities are those with the greatest percentage increase between December 2021 and December 2022.

Insights data
Behavioural insights for this report were derived from the billions of data points generated by the 900 million members in over 200 countries on LinkedIn today. Unless otherwise noted, all data reflects aggregated LinkedIn member activity as of January 1, 2023. Demand for recruiters is measured by the number of paid job posts for recruiter positions on LinkedIn globally.
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