

Q1 MARKET UPDATE

Hiring Market Overview

The hiring market has entered a more controlled phase. Compared to last year, where caution shaped most hiring decisions, there is now a clearer willingness to invest in talent. That shift reflects a more deliberate approach to growth, where hiring is tied directly to business performance, operational priorities, and long-term planning.

In 2025, many organisations focused on cost control, restructuring, and protecting margins. Hiring often responded to immediate gaps rather than future needs. Current activity shows a more considered approach, with tighter frameworks around headcount, clearer expectations of return on investment, and greater scrutiny on every hire.

Hiring decisions are increasingly linked to impact rather than volume.

The Shift in Hiring Demand

Demand has increased across most sectors, with a distinct change in how roles are defined. Replacement hiring continues to account for a significant share of activity, reflecting ongoing attrition and internal movement. Alongside this, there is a steady rise in newly created roles tied to transformation, reporting capability, and revenue growth.

Compared to 2025, when hiring freezes and delayed decisions were more common, organisations are committing to hires where the commercial or operational value is clearly understood. Roles connected to performance improvement, strategic

delivery, and efficiency gains are receiving the most investment. This pattern is consistent across disciplines.

Employers are placing greater value on professionals who can extend beyond functional responsibilities. The ability to interpret data, influence decisions, and contribute to wider business outcomes is becoming a defining requirement for top talent.

Compensation Trends

Compensation has stabilised compared to last year, following a period of sustained increases across multiple sectors. Employers are applying more structure to salary decisions, with a stronger focus on internal benchmarking and long-term affordability.

Competitive pressure remains in areas where skill shortages persist. Professionals with niche expertise or hybrid skill sets continue to command strong packages, particularly when they can demonstrate direct business impact. At senior levels, there is closer scrutiny of how compensation aligns with performance expectations and strategic contribution.

Bonus structures are becoming more controlled. Organisations are linking incentives more closely to measurable outcomes, creating clearer connections between performance and reward.

Counteroffers are persistently common, particularly for high-performing individuals, although their effectiveness remains limited. Many professionals continue to prioritise progression, leadership quality, and long-term alignment over short-term financial adjustments.

KEY TRENDS



Hiring has shifted from volume to value, with roles expected to deliver measurable business impact.



Demand is rising, but focused on high-impact, commercially aligned roles.



Compensation has stabilised, with premiums reserved for niche skills and proven business contribution.



Professionals are more open to moving, but far more selective, prioritising progression, leadership, and long-term fit.



Speed and transparency in hiring processes are now decisive factors in securing top talent.

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Candidate Behaviour

Confidence has improved in Q1, with more professionals open to exploring new opportunities. Movement across the market remains measured, with individuals taking a structured approach to decision-making.

Due diligence has become more thorough. Top talent is assessing organisational stability, leadership credibility, and long-term growth plans alongside role-specific factors. This reflects a more informed and deliberate approach to career decisions.

Motivations are more balanced than in previous years. Compensation continues to play a role, alongside progression opportunities, development pathways, and alignment with company culture. Leadership quality and clarity of strategy are becoming increasingly influential, particularly at senior levels.

Expectations around working patterns are evolving. Hybrid models are widely accepted, with professionals seeking clear guidance on expectations rather than broad or undefined flexibility.

Mid-level professionals are driving much of the movement in the market, often influenced by lack of progression and increased workloads following leaner team structures in 2025. Senior professionals remain more selective, typically engaging only where there is a clear strategic opportunity.

Hiring Processes

The effectiveness of hiring processes has become a defining factor in securing talent. Organisations that approach hiring with preparation and alignment are achieving stronger outcomes.

Streamlined processes, clear role definition, and consistent communication are leading to faster decision-making and higher offer acceptance rates. In some cases, interview-to-offer timelines have reduced significantly, reflecting increased urgency in competitive areas of the market.

Where hiring processes are less effective, the common causes tend to be delays in approvals, evolving role requirements, and misalignment between stakeholders, which continue to create friction. These challenges have a direct impact on hiring outcomes, particularly where top talent is engaged in multiple processes simultaneously.

Structured approaches to hiring are becoming more common. Pre-defined interview stages, clear evaluation criteria, and timely feedback are contributing to a more professional and predictable experience for candidates.

Retention Strategy

Retention has become a central focus for organisations, with greater emphasis on understanding the factors that influence long-term engagement. Compared to last year, there is more investment in creating environments where employees can grow and progress.

Career pathways, development opportunities, and leadership quality are consistently influencing retention outcomes. Employees are looking for visibility over how their roles can evolve and how their contributions will be recognised.

Organisations are responding with more structured approaches to development and progression, alongside greater transparency in salary reviews and performance management. These measures are contributing to improved retention where they are implemented effectively.

Working models remain part of the retention conversation. Transparency and consistency in hybrid policies are supporting engagement, while unclear or inconsistent approaches continue to contribute to attrition.

Technology and Data Capability

Technology continues to shape hiring priorities across all functions. Compared to 2025, where digital transformation was often positioned as a strategic objective, it is now embedded in operational expectations.

Data literacy has become a core requirement across a wide range of roles. Employers are seeking professionals who can analyse information, generate insight, and apply it to business decisions.

The integration of AI, automation, and advanced data tools is influencing how roles are structured and how performance is measured. Professionals who can combine technical understanding with commercial awareness are consistently in demand.

This shift is widening the gap between those who can operate at this level and those who rely solely on traditional functional expertise.

Market Outlook

The hiring market is progressing with greater stability than it demonstrated at the same point last year. Growth is taking place within defined parameters, supported by clearer planning and more disciplined execution.

Organisations are continuing to hire, with a focus on roles that contribute directly to strategic objectives. This is creating a more competitive environment, where expectations on both employers and talent have increased.

For employers, clarity remains essential. Well-defined roles, aligned hiring processes, and a compelling value proposition are critical to securing talent.

For professionals, differentiation is increasingly important. Demonstrating impact, adaptability, and the ability to operate across disciplines will influence progression and opportunity.

The hiring landscape is evolving into a more structured and performance-driven environment. Those who align with this shift are positioned to achieve stronger outcomes.