

Hiring Trends Index

Q1 2024 Factsheet

A quick look at the labour market

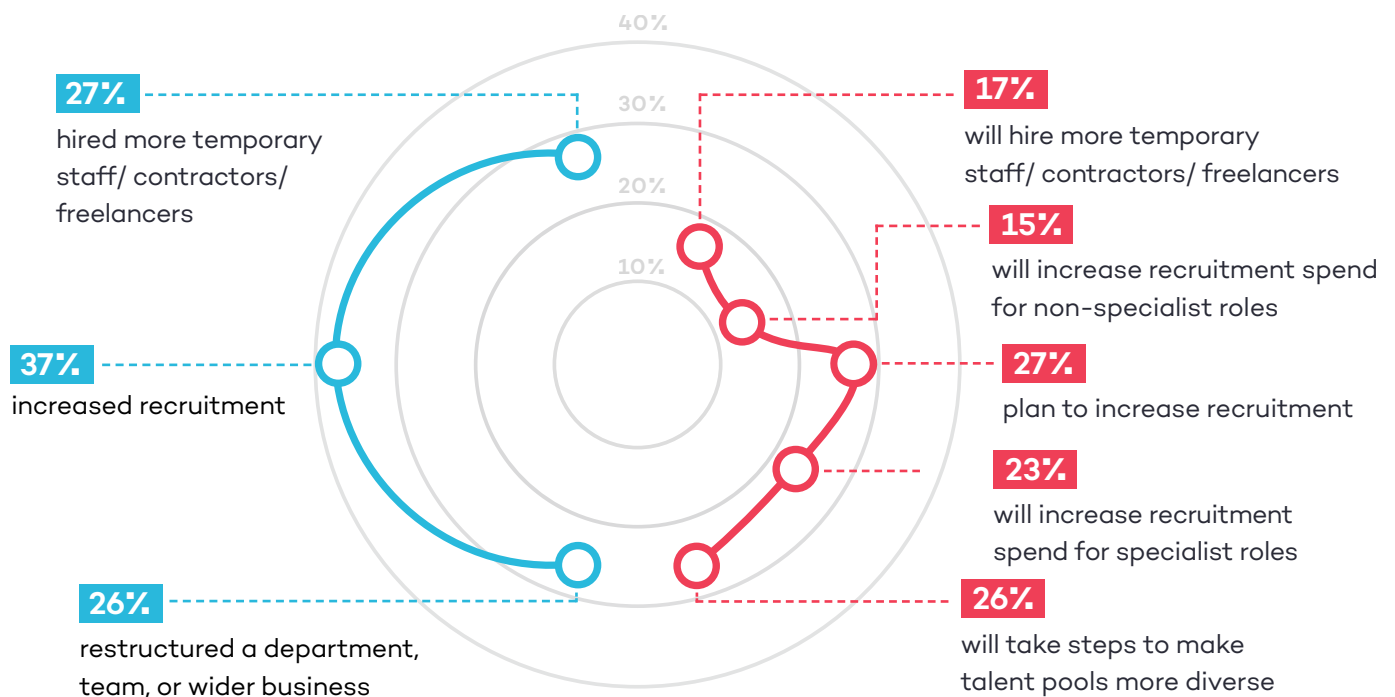
The first quarter of 2024 started with the UK economy picking up after dipping into recession at the end of 2023. The labour market has been normalising throughout last year with more people looking for work and the number of vacancies declining. However, Q1 2024 shows an increase in hiring, and rising demand and competition for workers.



The recruitment landscape for Q1 & Q2:

Q1 **84%** of businesses hired in **Q1 2024**

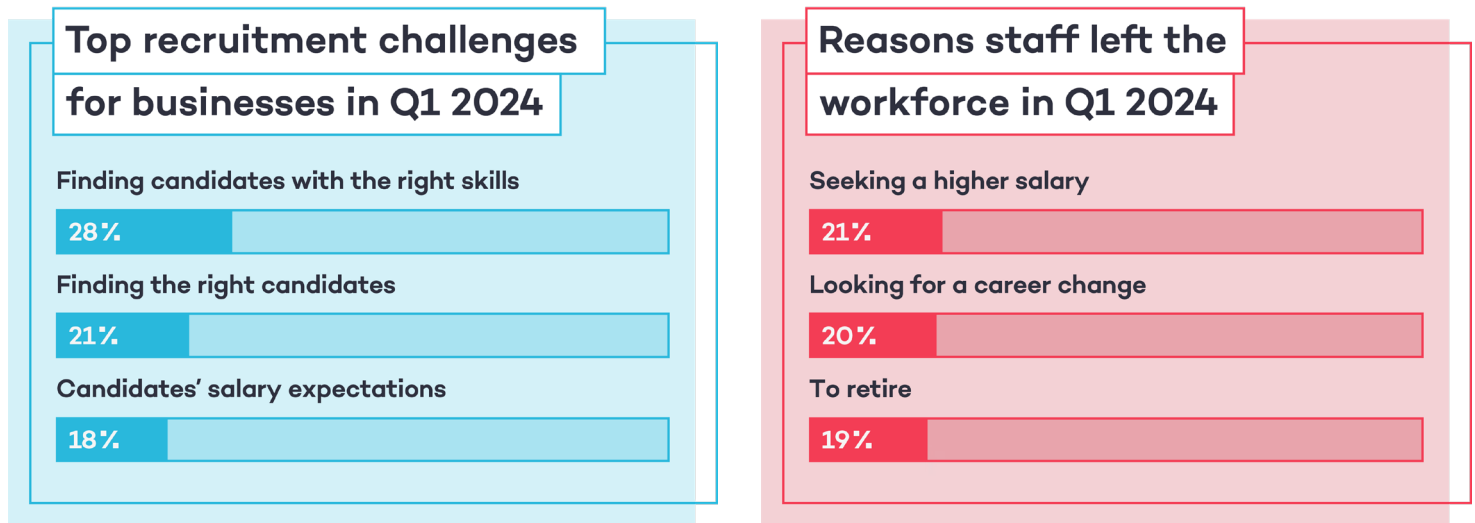
Q2 **74%** of businesses are confident they will recruit the people they need in **Q2 2024**



*Data of vacancies, wage growth and employment rate come from the Office for National Statistics (ONS).

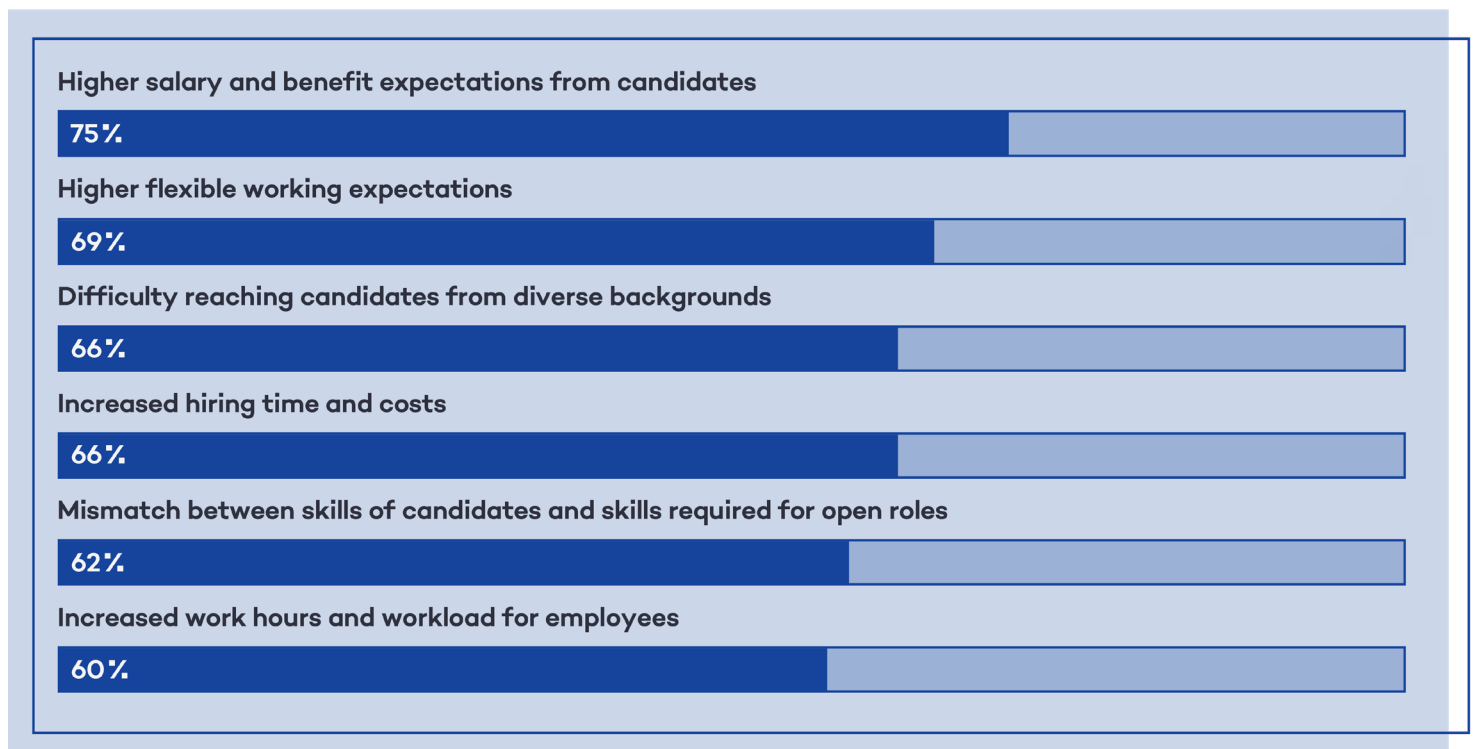
Top recruitment challenges in Q1 2024

In Q1 2024, finding talent with the right skills replaced meeting candidate salary expectations as the top hiring challenge. Skills shortages are proving difficult to tackle, and a threat to companies' success today and tomorrow.



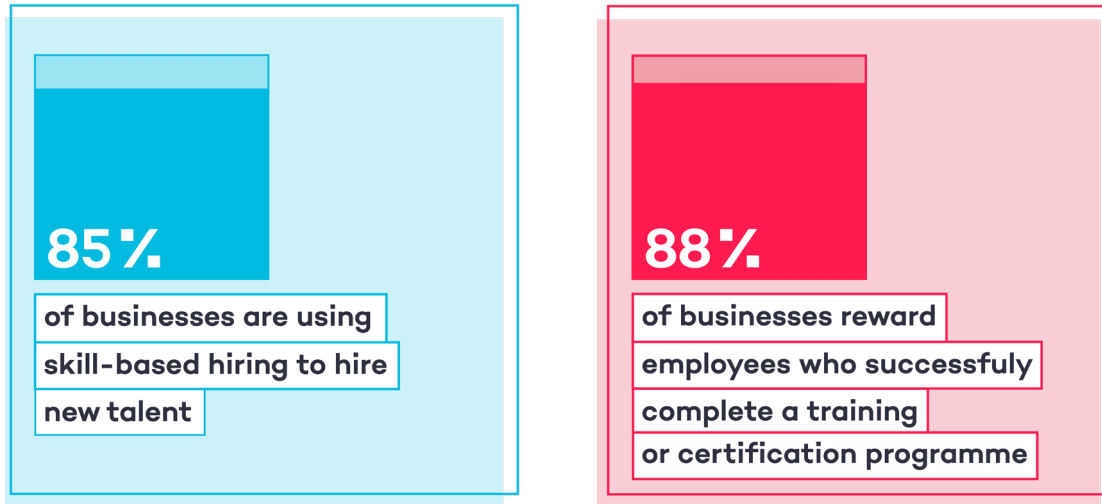
The impact of skills and labour shortages on businesses

As a result of skills and labour shortages and the high level of inflation throughout 2022 and 2023, expectations of candidates have changed. These are the top challenges for **59%** of businesses that have been experiencing increasing competition to find talent with the right skills compared to 2019.



Addressing skills shortages by hiring and upskilling

The majority (83%) of businesses are taking action to tackle skills shortages by hiring talent with the right skills and upskilling their existing workforce. However, only 1 in 5 are conducting a skills gap analysis and preparing plans to address the gaps. Thinking about long-term solutions and planning for future shortages are essential for businesses who want to remain competitive.



Key takeaways

As the competition to hire people with the right skills heats up, readying your organisation requires hiring and upskilling people to bridge the skills gaps of today and tomorrow.

- ✓ Set competitive compensation to woo the skilled talent you need. With **75%** of businesses saying candidates have higher salary expectations due to skill shortages and half of businesses hiring to plug critical gaps within their business, compensation is key to attract skilled candidates.
- ✓ Update your job ads to focus on skills and assess the necessity of degrees or grades to expand talent tools. Only **1 in 5** businesses have removed degree requirements from their job ads, despite **66%** saying they tend to reach candidates from similar backgrounds.
- ✓ Conduct a skills gap analysis to identify current and future skills gaps and prepare your business for long-term skills needs to future-proof your workforce.
- ✓ Motivate staff to build on their skills, which in turn can help your business plug skills shortages, and reduce lower staff turnover. Half (**50%**) of businesses offer career progression and promotion opportunities to employees who upskill.

Deep dive into these insights on totaljobs.com/hiring-trends-index

All figures, unless otherwise stated, are from a survey conducted with Opinium Research. Total sample size was 1,000 HR decision-makers. Fieldwork was undertaken between 19th – 28th of March 2024. The survey was carried out online.

Totaljobs