

2025 Hiring Trends: What Do HR Teams Need to Prepare For?

The HR Director | Craig Sweeney, WilsonHCG | December 18, 2024

Following what has been a roller coaster year, with global political shifts, significant employment reform announcements, ongoing skills shortages and increasing costs of living, 2025 is being touted as a more optimistic time for talent pools and employers alike. That's not to say it will all be plain sailing, though.



With the NICs increase further stretching employment budgets and the Employment Rights Bill set to radically change the compliance landscape for HR and talent acquisition teams, there will no doubt be a lot of transformation and complexity to navigate.

But there's also a lot of promise in the world of talent acquisition and a wealth of opportunities to drive change for good. Here are some of the top areas that HR practitioners and talent leaders can capitalize on in the New Year.

The rise of AI

Artificial Intelligence is perhaps one of the most hotly debated topics in the HR community at the moment. From difficulties sourcing AI skills given the infancy of this remit itself, through to exploring how these tools can support the HR and talent functions, there's a lot to discuss on the topic. What I would say, though, is that AI is both the problem and the solution, particularly in relation to skills shortages.

Given how new some of these tools are, there is an understandably limited supply of experts in this area to tap into. However, AI has huge potential to streamline engagement and attraction with potential new recruits. It's important to stress at this point that I'm not talking about automation in relation to HR systems – that's an entirely different topic and opportunity in itself. However, AI is vastly intuitive and can achieve things many humans can't in such short timescales. That includes monitoring and assessing behaviors of talent pools both internally and externally to better map out where there's the potential to attract, or even lose, high performers.

Any discussion around artificial intelligence does need to also address the issue of candidates using these tools in their job searches, which is a contentious issue in today's environment. While we may have seen a number of brands banning the using of AI in the job hunt (and in some cases, in work itself), there is a strong argument for allowing it.

When we consider that this is an emerging technology, with a handful of 'experts' available to hire in this remit, having individuals that demonstrate an ability to use AI sufficiently and appropriately is, in fact, a promising sign in the hiring process. Yes, there will need to be clear boundaries and transparency around its use, but it's a sign of strength, not necessarily a weakness.

Perhaps the greatest benefit that can be achieved by allowing greater AI usage, though, is the positive impact it can have on diversity. There are some under-represented groups that struggle with the writing element of the job process for absolutely no fault of their own, but are dismissed as a result, even though this particular attribute isn't always necessary for a role. If individuals are allowed to use AI to support their CV or cover letter creation, it can aid social mobility and diverse recruitment.

Skills-first will become more critical

Of course, much of the above requires a shift towards skills-first hiring in order to be successful. Where HR and talent teams are looking to improve diversity and attract individuals that show potential over technical attributes, existing rigid hiring structures become less relevant.

This shift towards skills-first hiring has been gaining momentum for much of this year, but with the demands of the workforce evolving at pace, there is a growing recognition across the business communities that how the attract talent needs to change. And they are looking to the HR function for guidance.

This is a prime opportunity to capitalize on the new world of work and reshape hiring practices to drive inclusivity, equity and diversity. Arguably, the changes to employment legislation also provide the chance and motivation for a rethink, but there does need to be authentic buy-in to talent acquisition reforms companywide to make them really work.

Talent intelligence and labor market analytics will be business critical

With the growth of HR technology, comes a new platform to better integrate data and talent intelligence into strategies. Many leading employers have long implemented tracking and people metrics into their talent management systems, however, there's a core area of improvement that we have flagged in recent months; namely the reliance on incomplete or incorrect external data.

There has been growing concern around the accuracy of labor market data from the Office for National Statistics (ONS) in the UK and the Bureau of Labor Statistics (BLS) in the States. The reality is that the sample sizes for this information – which has historically driven corporate decisions around hiring and business growth – have shrunk. That means they aren't always a true reflection of the current market, which is further evidenced by the regular updates or reviews to previous data that we're seeing.

However, there are more reliable sources of this information. As talent intelligence and labor market data becomes a more critical factor for business decisions, now really is the time to reassess what data is being collated and used to inform company strategies.

Sustainability needed, in more ways than one

Sustainability is going to remain a key theme for next year, but not just in relation to climate change and environmental awareness. There is a growing segment of the workforce that are placing an increased importance on their employer's impact on the environment, and this has already led to many companies adapting their EVPs to demonstrate that they are an environmentally ethical business.

However, sustainability in relation to the workforce, and indeed, talent pools themselves, is another factor that will be of critical importance in the coming 12 months. The rate at which shortages are expanding means that employers are increasingly struggling to source the talent they need, hence the growth of skills first-hiring and use of AI-driven solutions mentioned earlier.

If organizations are to truly address this issue for longer-term growth, though, they need to be proactively creating skills as well, whether that's through internal mobility and training programs, better engagement with education leavers or other, similar tactics. Again, the start of the New Year is a prime time to tackle this challenge for the benefit of longer-term talent acquisition. It has been a quieter period for some hiring strategies, but this will pick up. Those that get ahead of the game now and are able to create a sustainable pool of talent, will be the brands that are in the best possible position come the end of next year.

Over the course of the next 12 months, we're going to continue to see a lot of change for HR and talent acquisition teams, but we should never lose sight of the opportunities that this also creates. There's a wealth of potential to reshape talent acquisition, for those brave enough to lead the charge.