

The State of Recruitment 2024 Performance and 2025 Outlook Survey





About us

For over 45 years, Jonathan Lee Recruitment has been working in partnership with clients ranging from start-ups and SMEs to large corporates both in the UK and overseas.

Our mission is to deliver solutions that help people to succeed and organisations to flourish, contributing to a better future for everyone.

Our passionate, experienced team provides world-class permanent, contract and interim recruitment solutions supporting a wide range of roles.

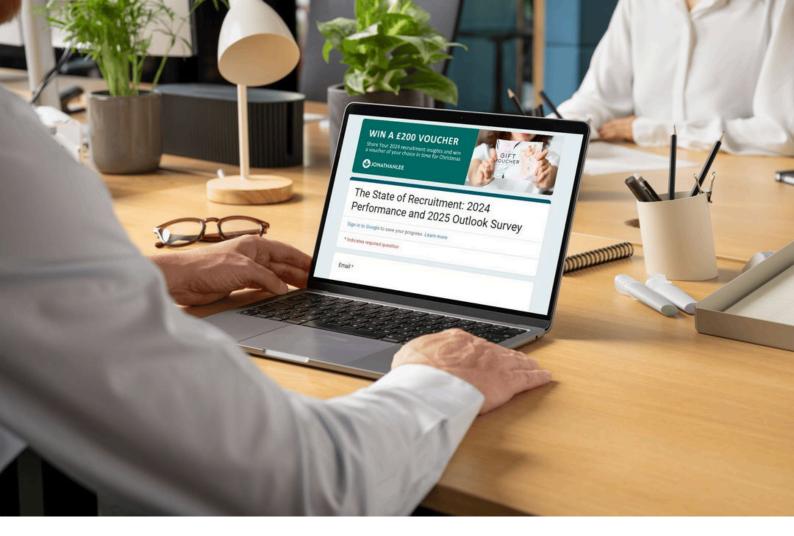
What to expect

The world of recruitment is constantly evolving, shaped by economic, technological, and cultural shifts.

As organisations strive to secure top talent, they face a myriad of challenges and opportunities.

In this report, we delve deep into the insights gathered from our latest Recruitment Survey, exploring how companies navigated 2024 and what lies ahead for 2025.

Each section of this report corresponds to a pivotal question from our survey, offering HR professionals and hiring managers market intel and recommendations.



Our methodology

As 2024 drew to a close, we sought to gain deeper insights into the recruitment experiences and future plans of our clients and strategic partners.

To achieve this, we developed a survey aimed at quantifying and exploring the key recruitment challenges and successes encountered by organisations throughout the year.

The response was overwhelming, with over 150 submissions from businesses of all sizes and across sectors such as automotive, energy, aerospace, food and drink, engineering, and manufacturing. This breadth of participation provided us with a rich and diverse dataset, enabling us to glean actionable insights.

We analysed the data to create this report, which we hope offers valuable perspectives and guidance as you navigate the ever-evolving recruitment landscape.

Should you wish to discuss these findings further, request sector-specific insights, or have any questions, please do not hesitate to contact our team at <u>01384 397555</u> or via <u>website@jonlee.co.uk</u>.

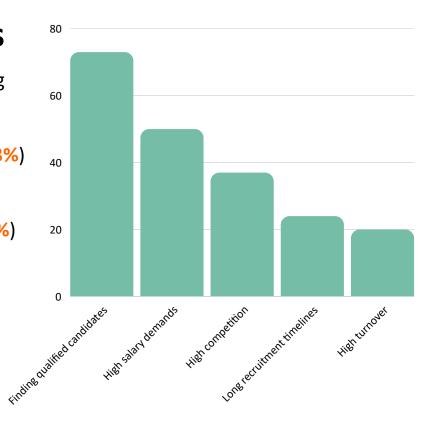
Top Recruitment Challenges in 2024 Q. What recruitment challenges did your company face in 2024?

Summary of findings

Respondents identified the following recruitment challenges in 2024:

- 1. Finding qualified candidates (73%)
- 2. High salary demands (50%)
- 3. High competition (37%)
- 4. Long recruitment timelines (24%)

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5. High turnover (20%)
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Analysis

The shortage of qualified candidates was the most pressing issue, particularly in high-demand sectors such as renewable energy. Salary expectations also created a significant barrier, with many organisations unable to meet market rates for top talent. Extended recruitment timelines further exacerbated these issues, leading to missed opportunities and increased costs.

Recommendations

- Develop Talent Pipelines: Partner with educational institutions and an experienced recruitment partner to create a steady stream of skilled professionals
- Invest in Upskilling: Train existing employees to fill skills gaps within your organisation
- Leverage Data-Driven Tools: Use predictive analytics to identify and attract candidates who align with your needs

2024 & 2025 Recruitment Budgets

Q: How did your recruitment budget in 2024 compare to previous years and do you anticipate an increase in hiring in 2025 compared to 2024?

Summary of findings

47% of companies said their recruitment budget had increased in 2024 compared to 2023. 20% said their budget had decreased.

Looking ahead to 2025, 43% of companies said they expect an increase in hiring this year.



47%

said their recruitment budget had increased in 2024



anticipate an increase in hiring in 2025

Analysis

The rise in recruitment budgets last year highlighted a strategic shift toward prioritising talent as a key driver of business success. Companies that expanded their budgets likely did so to tackle challenges such as skills shortages, enhance employer branding, and adopt advanced recruitment technologies. This trend was especially evident in high-demand industries, where competition for specialised roles intensified throughout the year.

The anticipated increase in hiring aligns with the growing need to address skills gaps.

Organisations that plan to expand their workforce are likely preparing for strategic growth in response to new market opportunities, digital transformation, or increased project demand.

Hard-to-Fill Roles in 2024 Q. Did your company face any skills shortages in 2024?

Summary of findings

Certain roles emerged as proving difficult to fill:

- Mechanical Engineering (33%)
- Electrical Engineering (30%)
- Manufacturing/Operations (27%)
- Skilled Trades (24%)
- Non Tech roles (eg Sales & Marketing) (14%)
- Software Engineering (14%)
- Human Resources (14%)
- IT/Infrastructure (12%)
- No skills shortages (11%)
- Senior Appointments (8%)

Analysis

Mechanical Engineering, Electrical Engineering, and Manufacturing/Operations rank as the most critical areas of need, underscoring the growing demand for technical expertise in STEM fields.

These shortages align with a broader trend of scarcity in STEM talent globally, driven by increasing technological advancements and the rising complexity of engineering and manufacturing processes.

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90%

of companies faced a skills shortage

55%

of companies faced an engineering skills shortage

Analysis continued

Skilled Trades highlight a critical challenge: a generational shift as older workers retire and fewer young professionals pursue trades. Often overlooked, these roles are vital to the backbone of industrial operations, and their scarcity threatens productivity and growth in many sectors.

Interestingly, Non-Tech Roles such as Sales and Marketing are also cited as a challenge, indicating that skills shortages extend beyond technical expertise. Similarly, gaps in Human Resources and IT/Infrastructure suggest organisations are facing talent acquisition struggles across various strategic and operational domains.

While only 8% of respondents identified shortages in Senior Appointments, this remains a critical area of concern, as strong leadership is essential for navigating complex business environments and driving innovation.

With just 11% of organisations reporting no skills shortages, it's clear that talent gaps are widespread across industries and within specific disciplines, creating intense competition for skilled candidates.

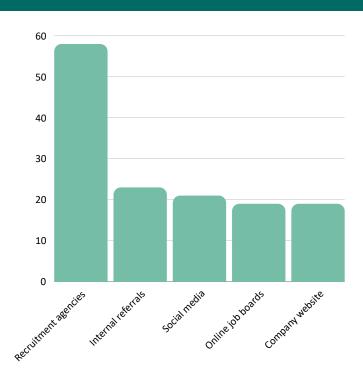


Effectiveness of Recruitment Channels Q. Which recruitment channels did your company find most effective in 2024?

Summary of findings

The survey revealed varying levels of effectiveness across recruitment channels:

- Recruitment agencies (58% selected this)
- Internal referrals (23%)
- Social media (21%)
- Online job boards (19%)
- Company website (19%)



Analysis

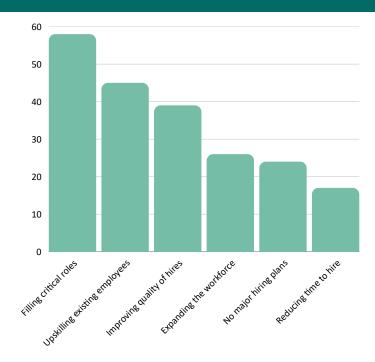
Recruitment agencies led the way, with more than half of respondents stating that their services and partnerships were invaluable, providing access to vetted niche talent pools that strongly aligned with their requirements. Internal referrals proved another strong option.

One out of every 5 respondents said that online job boards remained a staple for entry-level positions, while social media and company websites were cited as being equally effective at 19%.

Recommendations

- Use Recruitment Agencies: <u>Click here</u> to discover our top 5 reasons why you should use a recruitment partner even during an economic downturn
- Incentivise Employee Referrals: Offer rewards for successful referrals to encourage participation
- **Optimise Social Media Presence:** Use platforms like LinkedIn for employer branding and candidate engagement

Recruitment Priorities for 2025 Q. What are your recruitment priorities for 2025?



Summary of findings

Looking ahead, respondents shared the following priorities for 2025:

- Filling critical roles (58%)
- Upskilling existing employees (45%)
- Improving quality of hires (39%)
- Expanding the workforce (26%)
- No major hiring plans (24%)
- Reducing time to hire (17%)

Analysis

The top priority of filling critical roles, highlights the ongoing challenges with skills shortages in key areas like engineering and technology. Companies are focusing on attracting specialised talent to sustain operations and drive growth.

Upskilling existing employees is also a key focus, reflecting a shift towards developing internal talent to address evolving skill needs while improving retention through career growth opportunities.

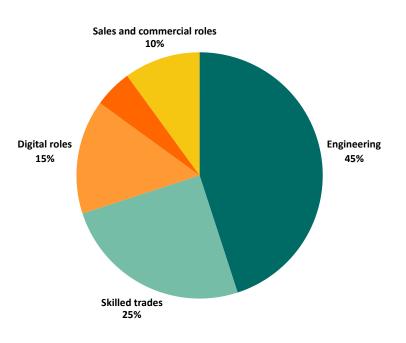
Improving quality of hires shows a commitment to refining recruitment strategies, ensuring better organisational fit, and leveraging employer branding to attract top-tier candidates.

While expanding the workforce and reducing time-to-hire are lower priorities, they reflect optimism about growth and the need for efficiency within the recruitment process due to competitive markets.

Notably, nearly a quarter stated they have no major hiring plans, suggesting some businesses are cautious due to economic and/or strategic considerations.

Hard-to-Fill Roles in 2025

Q. Which type of roles do you anticipate will be the most challenging to fill in 2025?





45%

of companies expect Engineering roles to be the hardest to fill

Summary of findings

Certain roles emerged as likely to be particularly difficult to fill:

- Engineering (45% of mentions)
- Skilled Trade (25%)
- Digital & Emerging Tech (15%)
- Sales and Commercial Roles (10%)
- Senior and Leadership Roles (5%)

Analysis

Engineering roles, including Mechanical, Electrical, Process, and Design Engineering, were repeatedly highlighted.

Niche roles like CNC Programmers, Tooling Managers, RF/Optical Engineers, and Propulsion Engineers also stand out as particularly hard to fill.

The scarcity reflects broader STEM shortages and the lack of skilled professionals in specialised technical areas.

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Analysis continued

Roles requiring skilled technicians, engineers, welders, CNC machinists, toolmakers, and hardware designers were flagged as difficult to source.

Generational gaps in skilled trades exacerbate shortages as older professionals retire, and fewer younger workers enter these careers.

Growing challenges were noted in AI and machine learning, software engineering, cybersecurity, and green skills (e.g., renewable energy).

Specialised roles such as Software Architects, Whole Vehicle Software Engineers, and ICT experts reflect the shift toward technological advancements and sustainable industries.

Respondents also highlighted shortages in Technical Sales, Field Service Engineers, business development and general Sales Staff. This indicates a growing need for professionals who combine technical knowledge with commercial acumen.

Senior positions, such as Senior Managers, C-suite executives, and roles requiring niche expertise, were flagged as particularly challenging.

Organisations cited limited local talent pools for managerial roles, adding further difficulty in recruitment.

Unique mentions include Defence roles with SC clearance, Medical Device specialists, and professionals with a mix of Farming and Technology experience.

Lecturers in Trades and Digital fields highlight the challenge of attracting talent to education.



Recruitment Priorities in 2025 Q. What types of roles do you anticipate you will need to recruit for in 2025?

Summary of findings

Respondents stated that they anticipated needing to recruit for the following roles for 2025:

- Permanent (73%)
- Contract (32%)
- Executive (15%)
- Interim (12%)

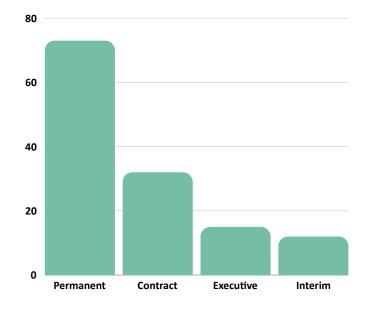
Analysis

The survey highlights a strong focus on permanent recruitment, with 73% of respondents anticipating the need to hire for long-term roles. This underscores the desire for stability and long-term investment in workforce planning, particularly as businesses navigate ongoing challenges like skills shortages and market competition.

At the same time, contract recruitment is expected to play a significant role, indicating that organisations value flexibility to manage project-based needs, seasonal demands, or specialised expertise for short-term goals. This is especially relevant in industries undergoing rapid technological changes or fluctuating workloads.

Executive and interim recruitment are less commonly cited, reflecting a more niche but strategic focus.

Together, these insights suggest that businesses in 2025 are preparing for a mix of stability, adaptability, and strategic leadership in their hiring strategies.



Skills gaps Q. How is your company planning to address any potential skills gaps in 2025?

Summary of findings

Respondents stated they are looking to address any potential skills gaps in the following ways:

- Internal training and development (70%)
- Partnering with recruitment agencies (45%)
- Offering suitable salary and benefit packages (45%)
- Recruiting from new talent pools (28%)

Analysis

The results show that companies are taking a multifaceted approach to addressing skills gaps in 2025. A significant 70% are prioritising internal training and development, highlighting a strategic focus on upskilling existing employees to meet evolving business needs. This approach not only helps close immediate gaps but also strengthens long-term retention and workforce engagement.

In addition, 45% of respondents plan to partner with recruitment agencies and enhance their salary and benefits packages to attract and retain top talent. This reflects the growing competitiveness in securing skilled professionals, particularly in technical and specialist roles. Meanwhile, 28% are looking to recruit from new talent pools, recognising the need to diversify and expand their search to address shortages effectively. Together, these strategies demonstrate a balance between investing in current teams and leveraging external solutions to bridge critical skills gaps.



70%

will address skills shortages with internal training and development

45%

will address skills shortages by partnering with recruitment agencies

Navigating the Future of Recruitment

The insights from our 2024 Recruitment Survey paint a clear picture of the challenges and opportunities ahead. By understanding the nuances of their experiences, HR professionals and Hiring Managers can develop strategies to overcome skills shortages, improve hiring processes, increase employee retention and build resilient teams.

As we move into 2025, the focus should be on adaptability, innovation, and collaboration. With the right tools and strategies, organisations can not only navigate the complexities of the recruitment landscape but also position themselves for sustained success in the years to come.





Need recruitment advice?

When you partner with Jonathan Lee Recruitment, finding the perfect candidate for your job openings becomes hassle-free. Our dedicated and experienced team of recruitment professionals is committed to delivering a globally focused service, saving you time and resources whilst identifying the best talent for your business.

E: <u>website@jonlee.co.uk</u> | T: <u>01384 397555</u>

If you would like any further information regarding the insights shared, or to discuss how we can assist you with any recruitment needs please <u>get in touch</u>.