



# TALENT TRENDS REPORT

MARCH 2026

Source: REC/KPMG data February 2026



Award-winning talent partner, trusted by growing companies across the UK

# HIRING IS STABILISING, NOT SURGING... YET

Hiring continues to shift, and this time the change is as much about behaviour as it is about the numbers.

REC/KPMG points to a market that's stabilising rather than surging; permanent hiring remains soft but is easing, vacancy declines are slowing, pay pressure has cooled from January's peak and candidate availability has risen again. In short, the market isn't "back" but it's no longer moving in one direction.

At the same time, what we're hearing from our clients feels more buoyant; more roles moving from "parked" to "approved", hiring managers back in delivery mode and growing momentum in replacement and project-driven hiring.

That confidence shift often shows up first in pipeline activity and decision speed and for businesses, this creates a momentum window; a chance to hire ahead of the next wave of competition without losing cost control or compliance.



What we're hearing is more intent but not always more certainty. Some teams are ready to hire; others are still waiting for a clearer quarter. The difference-maker is having a plan you can activate quickly when the green light comes."

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# HIRING HEADLINES | WHAT FEBRUARY DATA TELLS US

- **Permanent hiring is close to flat (still slightly down):** the decline eased to the weakest since March 2023
- **Contract/temp softened again:** temp billings slipped back into modest decline after January's uptick
- **Vacancies are still falling, but slowing:** overall demand decreased at the softest pace in nine months (index noted in the report commentary), driven by a weaker fall in permanent vacancies
- **Pay pressure cooled, but hasn't vanished:** starting salary inflation slowed (softest since last October) and temp wage growth eased
- **Candidate availability jumped again:** improving supply may ease some hiring friction, but not necessarily in specialist pockets

## **Neil Carberry, Chief Executive, REC**

“While February’s report is by no means a source of unalloyed celebration, it does suggest that the worst of the hiring slowdown has passed... the stabilising trend we have seen so far this year has continued.”

## **Jon Holt, UK Senior Partner, KPMG**

“Despite a marginal fall in hiring last month, the jobs market was showing its strongest signs of improvement in three years, with hiring at its closest point to turning positive... Resilience is now the new normal...”

# THE MOMENTUM WINDOW

## What to do before everyone speeds up

When a market stabilises, the biggest advantage goes to employers who move early and move cleanly.

## 3 THINGS BUSINESSES SHOULD DO NOW

1

### **Pre-approve the “roles that unlock revenue”**

If hiring is becoming more buoyant in pockets, approvals will be the new bottleneck. Decide now which roles get fast-track sign-off and which can wait.

2

### **Replace “hiring activity” with “hiring velocity”**

In a stabilising market, speed isn't about rushing; it's about removing friction:

- fewer interview steps
- shorter gaps between stages
- 24–48 hour feedback standards

3

### **Build a pipeline for the skills that still won't be easy**

Candidate numbers are rising overall, but specialist shortages remain (and pay competition persists where skills are scarce). The companies that win are building pipeline before the vacancy becomes urgent.

# THE 21-DAY HIRING VELOCITY SPRINT

This is the fastest way to improve outcomes without “hiring more recruiters” or throwing spend at agencies.

## **Week 1: Fix the brief (speed starts here)**

- replace “nice-to-haves” with outcomes (what success looks like in 90 days)
- lock non-negotiables: salary band, location, start date, interview panel
- write one credible reason to join now (not generic EVP fluff)

## **Week 2: Tighten the funnel**

- drop to 2-stage interviews for priority roles where possible
- implement 24–48 hour feedback (no exceptions)
- measure stage conversion: CV > 1st stage, 1st > final, final > offer

## **Week 3: Win offers**

- pre-close early (don’t wait until final)
- reduce offer friction (approvals, contracts, onboarding steps)
- track reasons for “no” weekly (so your process learns fast)

## **What “good” looks like in March 2026**

- time-to-offer down
- offer acceptance up
- fewer “late-stage surprises”
- hiring manager responsiveness measurable

# AI IS A HIRING FACTOR NOT JUST A TECH PROJECT

The report's special feature shows many organisations are already adopting AI and many more plan to introduce it within 12 months. It also suggests most expect **AI to enhance roles rather than replace them**, meaning skills and workflows will shift.

## What businesses should do now

- **Update job design:** adding “AI-enabled workflows” expectations where relevant
- **Modernise assessment:** test problem-solving, judgement and AI literacy
- **Protect trust:** clarify what AI you use in hiring and where humans decide



# EMBEDDED TALENT | TURN HIRING INTO A VELOCITY ENGINE

**March isn't saying you need to hire more, it's asking you to hire better.**

Embedded Talent works when you need:

- consistent pipeline creation for specialist roles
- faster iteration with hiring managers
- improved candidate experience and reduced drop-off
- measurable gains in time-to-offer and acceptance

**Where speed and shortlist quality matter most, Vermelo supports teams with embedded recruiters who can ramp up quickly and stay aligned to your brand and process.**

## MANAGED SERVICE PROVIDER (MSP) | KEEP CONTROL AS DEMAND SHIFTS

**Temp billings softened this month, but contingent hiring remains structural and in many businesses it gets messy fast when projects ramp.**

MSP helps you keep:

- one onboarding process, one standard
- visibility on spend and suppliers
- IR35 and compliance audit-ready by design

**If contractor hiring is growing, Vermelo supports businesses with MSP governance that improves visibility, consistency and compliance without slowing delivery.**

# TALENT ADVISORY | STOP HIRING SYMPTOMS AND FIX THE SYSTEM

In a stabilising market, the smartest organisations don't just fill roles.

They fix:

- approval bottlenecks
- interview capacity and decision speed
- role design and skills planning (especially as AI reshapes tasks)

Advisory is the fast route to:

- fewer stuck roles
- stronger conversion rates
- clearer perm vs contingent workforce design

**If hiring is slowing due to process drag or unclear priorities, Vermelo supports businesses with advisory that sharpens role design, decision-making and workforce planning.**



# READY TO TALK THROUGH YOUR HIRING ROLES?

If hiring is starting to feel more buoyant in pockets, this is the moment to get ahead of competition with a process that's fast, compliant and consistent.

Contact Vermelo to talk through:

- your priority roles and timelines
- where scarcity and pay pressure will hit hardest
- what's slowing decisions and causing drop-off
- what governance needs tightening as contractor demand changes

## SCAN THE QR CODE TO BOOK A DISCOVERY CALL



**Or contact:**

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We help organisations hire smarter, not harder by combining people, process and technology to deliver faster, more compliant and cost-effective hiring through:

- Recruitment Process Outsourcing (RPO)
- Managed Service Provision (MSP)
- Embedded Talent (RaaS)
- Talent Advisory & Consulting

Vermelo brings deep sector expertise and a proven track record of delivering talent solutions in complex, fast-moving markets. Our approach combines premium sourcing capability - without the burden of additional technology subscriptions - with an embedded partnership model that prioritises agility, alignment and results.

We work as an extension of your team, measuring success through what matters most: faster time-to-hire, quality of hire and hiring-manager and candidate satisfaction.

**Vermelo | your partner for flexible, data-driven talent solutions that scale with your business.**

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