August 2026

Oxfordshire Recruitment Market Overview

Compiled by Allen Associates with data insights and analysis by Indeed Hiring Lab

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Still a challenging time, but signs of stabilisation

After a cautious first half of the year, the latest labour market data shows some early signs of stabilisation for both employers and talent. The ONS reports that payrolled employees fell by 85,000 between May 2025 and May 2026, but were broadly unchanged on the month, increasing by 3,000 between April and May. UK unemployment stood at 4.9% in March to May 2026, while vacancies fell by 7,000 over the quarter to 712,000 in April to June.[1]

More recent recruitment data from KPMG and REC suggests that some of the sharper declines in the market may be easing. Permanent staff appointments stabilised in July, following a 45-month period of decline, while temporary billings continued to rise. This points to a slightly more positive outlook than earlier in the year, although employer confidence remains fragile and many businesses are still cautious about committing to permanent headcount.[2]

Employers are still dealing with higher employment costs, salary pressure and greater economic uncertainty, and they're also facing the conundrum of higher candidate availability combined with an ongoing skills shortage. Wage growth has slowed from the levels seen in recent years, with ONS data showing regular pay growth at 3.4% in March to May 2026 and private-sector regular pay growth easing to 2.9%. Indeed Hiring Lab described wage pressures as benign in a still-fragile labour market, while KPMG and REC reported stronger starting salary growth in July, reflecting continued competition for suitably skilled and experienced candidates.[1 2 3]

Technology such as AI is also impacting the world of work, with employers reviewing where it can support productivity, reduce administrative work and change the shape of some roles. The Open University's Business Barometer 2026 found that 51% of UK employers say AI is changing the way they hire, while LinkedIn's January 2026 research found that 81% of people have used, or plan to use, AI in their job search.[5 6]

All of which makes recruitment more challenging for employers, who must adapt their recruitment strategies to reflect the new realities. More people may be available in the market, but employers still need to identify candidates with the right skills, experience, salary expectations and level of engagement.

Oxfordshire, with its high employment levels and innovation-led sectors such as clean energy, advanced manufacturing, life sciences, education and technology, alongside a strong professional services market, continues to see strong employment and demand for skilled professionals. Oxford City Council reports that Oxford has a highly skilled labour market shaped by its universities, hospitals, research institutions, knowledge-intensive businesses and wider service economy. Its latest labour market update shows that education makes up 31.5% of jobs and health and social work a further 20.2%, meaning these sectors provide more than half of all employment in the city. It also reports that 63.4% of residents are qualified to RQF Level 4 or above, compared with 49.5% in the South East and 48.0% nationally.[4]

Hiring challenges include high salary expectations, the inability to source candidates with the right skill sets, long hiring timelines and increased candidate expectations, reflecting the need for employers to be proactive and strategic in hiring and to offer clear salaries, flexible work options and a well-managed recruitment process to attract and retain the talent they need.

This latest report by Allen Associates investigates the challenges and opportunities employers in Oxfordshire faced in the first half of 2026, alongside the latest available labour market data going into August. It offers information and insights to help them remain agile and competitive in a changing and uncertain economic environment.

We've reviewed the latest data from the Office for National Statistics (ONS), Indeed Hiring Lab, KPMG and REC, Oxfordshire labour market sources and our own activity to provide an up-to-date view of what's happening across the region and what it means for hiring managers.

Key findings

The recruitment market remains cautious, but is showing early signs of stabilisation:

- UK vacancies fell to 712,000 in April to June 2026[1]
- Unemployment stood at 4.9% in March to May[1]
- KPMG and REC reported that permanent staff appointments stabilised in July after a 45-month period of decline.[2]
- Temporary billings also rose for the fourth consecutive month.[2]

Candidate availability remains high, but is not translating into easier hiring for every role:

- The Open University's Business Barometer 2026 found that 57% of UK employers are facing skills shortages[5]
- LinkedIn's January 2026 research found that 66% of recruiters said finding qualified talent had become harder over the previous year.[6]

Pay remains an important part of candidate decision-making:

- ONS data shows regular pay growth at 3.4% in March to May 2026.[1]
- Private-sector regular pay growth eased to 2.9%.[1]
- At the same time, KPMG and REC reported stronger starting salary growth in July, reflecting continued competition for candidates with the right skills and experience.[2]

Oxfordshire continues to perform strongly against wider regional and national labour market measures:

- The latest Nomis labour market profile for OxLEP shows employment at 83.6%, compared with 78.9% across the South East and 75.5% across Great Britain.[8]
- Unemployment stands at 2.7%, compared with 3.5% across the South East and 4.5% across Great Britain.[8]

Hybrid working, benefits and flexibility continue to influence attraction and retention:

- Indeed's 2026 UK Jobs and Hiring Trends Report found that remote and hybrid job postings remained close to recent peaks, while searches for remote or hybrid work also remained close to peak levels.[12]

AI and entry-level hiring remain areas to watch:

- Indeed Hiring Lab reported that AI job postings were 127% above their pre-pandemic baseline at the end of February 2026.[3 13]
- Indeed's July employment commentary noted that uncertainty is weighing most heavily on entry-level and junior hiring.[3 13]

The UK labour market remains cautious, but more stable

Recent data from the Office for National Statistics shows that the labour market has stabilised in some areas, but remains weak. UK vacancies fell by 7,000 over the quarter to 712,000 in April to June 2026. The UK unemployment rate stood at 4.9% in March to May, up 0.2 percentage points on the year but down 0.1 percentage points on the latest quarter.[1]

Payrolled employment has also shown signs of stabilising after previous falls. ONS data shows that payrolled employees fell by 85,000 between May 2025 and May 2026, but were broadly unchanged on the month, increasing by 3,000 between April and May. The early estimate for June 2026 was also broadly unchanged on the month, decreasing by 4,000 to 30.3 million, although the ONS cautions that early estimates are provisional and may be revised as more data is received.[1]

Indeed Hiring Lab described the July figures as “stable but weak”, with payrolled employment broadly stabilising in May and June but employers still hesitant. The commentary also noted that weakness in retail and hospitality payrolls continues to be offset by resilience in public sector employment.[3]

More recent recruitment industry data points to a slight improvement in hiring activity. KPMG and REC’s August Report on Jobs found that permanent staff appointments stabilised in July, following a 45-month period of decline, while temporary billings rose for the fourth consecutive month. Temporary vacancies also increased for the first time in two years, suggesting that employer demand has strengthened modestly, particularly for short-term workers.[2]

However, the data still points to a cautious employer market rather than a full recovery. Vacancies remain below recent peaks, payrolled employment is broadly flat, and many employers are still reviewing permanent headcount carefully. For employers, the issue is less about whether there are candidates in the market and more about whether the right candidates are available, affordable and ready to move.

Wage growth has slowed but remains part of the hiring conversation. ONS data shows regular pay growth at 3.4% in March to May 2026, while private-sector regular pay growth eased to 2.9%. Indeed Hiring Lab described private-sector wage growth as the slowest in five years, suggesting a more benign outlook for pay pressure. At the same time, KPMG and REC reported stronger upturns in both starting salaries and temporary pay in July, linked in part to competition for suitably skilled and experienced candidates.[1, 2, 3]

UK vacancies remain below recent peaks

Number of vacancies in the UK - seasonally adjusted

April to June 2007 to April to June 2026

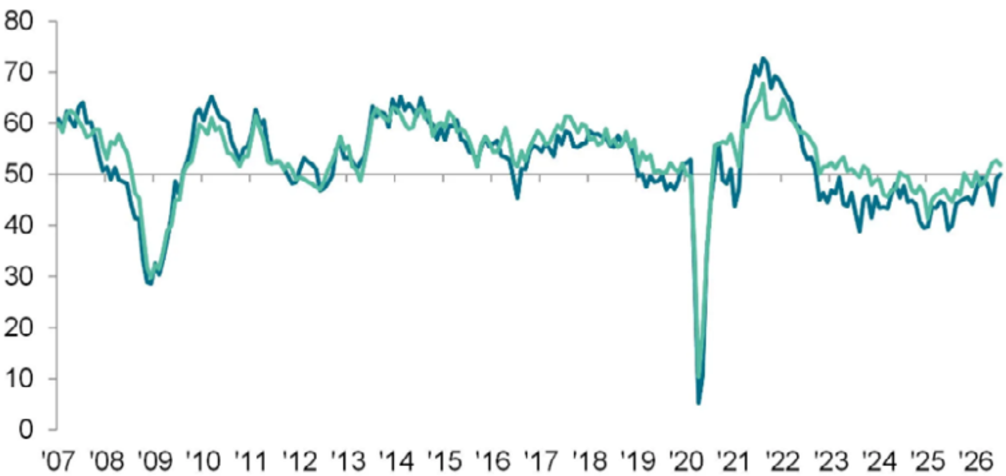
Source: Office for National Statistics

Permanent appointments stabilise after sustained decline

Permanent placements and temporary billings

UK Report on Jobs August 2026, based on July survey data

Source: KPMG, REC, S&P Global PMI



Labour supply is high but skills shortage persists

Candidate availability remains high, with the latest KPMG and REC data showing that the supply of both permanent and temporary candidates continued to rise in July. This reflects the effect of earlier redundancies, fewer vacancies and continued uncertainty among both employers and candidates.[2]

However, whilst the availability of candidates remains high, The Open University's Business Barometer 2026 found that 57% of UK employers are facing skills shortages, while 51% say AI is changing the way they hire.[5] LinkedIn's January 2026 research also found that 66% of recruiters said that finding qualified talent had become harder over the previous year.[6]

This is putting pressure on both employers and recruiters as they deal with greater numbers of applicants but fewer suitably qualified ones. More candidates may be applying for roles, but shortlists still depend on whether those candidates have the right experience, salary expectations, availability and interest in the position being offered.

The increasing use of AI in the application process is adding to this challenge. LinkedIn found that 81% of people have used, or plan to use, AI in their job search, while The Open University found that more than half of UK employers say AI is changing how they hire. This can make applications easier to submit and easier to tailor, but it can also increase the amount of time hiring teams spend screening applications that appear relevant on paper but do not meet the essential criteria for the role.[5] [6]

We'll look at the impact of AI on the recruitment market later in this report.

Even with a greater number of people looking for work, either actively or passively, employers still face a number of challenges:

- More applications do not always mean more suitable candidates. Employers and recruiters are still spending time identifying which applicants have the skills, experience and working pattern needed for the role.
- Candidate expectations remain high, with salary, flexibility, career development and benefits all influencing whether someone is willing to move.
- Candidates are still cautious about changing roles, particularly where their current employer is likely to make a counter-offer or where the new role does not offer enough certainty.
- Some roles continue to attract high application numbers but still take longer to shortlist, especially where the brief is broad, the salary is not aligned with the market, or the role requires specialist knowledge.

How a specialist recruiter can help your organisation

In recent years, employers have been boosting their brands to attract the right talent to their organisations, many with attractive roles offering a wide range of benefits. However, in the second half of 2026, employers face a range of challenges, including higher application numbers, a longer time-to-hire in some areas, continued salary pressure and an ongoing skills shortage.

This makes securing the right person difficult without time, resources and a focused approach. Also, if you're trying to manage the complex and time-consuming process in-house, you'll understand the difficulties of screening, shortlisting and managing the candidate experience successfully.

Today, recruitment partners like Allen Associates can add value not just by accessing hidden candidate networks, but by providing strategic advice, market insights and hands-on support. This includes salary benchmarking, advice on role scope, screening and shortlisting, and guidance on whether a permanent, temporary or interim appointment is the right route.

Temporary vs permanent placements

A recent report by KPMG and REC notes that permanent staff appointments stabilised in July, ending a 45-month period of decline. Temporary billings also rose for the fourth consecutive month, and temporary vacancies increased for the first time in two years, suggesting that employers are beginning to move again, particularly where temporary or flexible hiring gives them more control.[2]

This reflects employers' ongoing caution around permanent hires and their attendant employment costs, which has made temporary staff an attractive option for some organisations. Permanent appointments still require confidence around budgets, future workload and headcount approval, while temporary staff can help employers cover immediate work, support short-term projects or manage gaps while a permanent decision is still being reviewed.

Candidate availability remains high, although KPMG and REC reported that the rate of increase softened in July. This is the result of fewer vacancies than in previous years, earlier redundancies, increased costs and continued uncertainty. However, competition for suitably skilled candidates remains, with KPMG and REC also reporting stronger starting salary growth and higher temporary pay in July.

- Permanent staff appointments stabilised in July after a 45-month period of decline.[2]
- Temporary billings rose for the fourth consecutive month, with the rate of growth the strongest since early 2023.[2]
- Temporary vacancies increased for the first time in two years.[2]
- Starting salaries and temporary pay both rose more quickly in July, reflecting competition for candidates with the right skills and experience.[2]

Regional variation

According to the ONS, the South East has the highest employment rate in the UK at 78.2%, while the North East has the lowest at 71.5%. London has the highest unemployment rate at 6.5%, while Northern Ireland has the lowest at 1.8%.[7]

The South East remains one of the strongest employment regions in the UK, although high employment can make recruitment more competitive for organisations looking for experienced staff. A softer national market does not create the same conditions everywhere, particularly in areas with high levels of professional employment and lower unemployment.

Oxfordshire is currently outperforming the rest of the South East and Great Britain as a whole in several labour market measures. The latest Nomis labour market profile for OxLEP shows:

- Employment at 83.6%, compared with 78.9% across the South East and 75.5% across Great Britain.
- Unemployment at 2.7%, compared with 3.5% across the South East and 4.5% across Great Britain.
- Professional occupations accounting for 32.1% of employment, compared with 27.9% across the South East and 27.4% across Great Britain.

- Administrative and secretarial occupations accounting for 9.2% of employment, compared with 8.8% across the South East and 9.0% across Great Britain.

- Managers, directors and senior officials accounting for 13.2% of employment, compared with 13.1% across the South East and 11.4% across Great Britain.[8]

The strength of the Oxfordshire labour market means that employers are still competing for skilled, experienced people, even when candidate availability has increased nationally. Salary expectations, commute patterns, hybrid working norms and local candidate availability can vary significantly between areas in the same county.

Allen Associates works with employers across these local markets, advising on salary positioning, role briefs and whether a permanent, temporary or interim route is most appropriate.

Sectoral variation

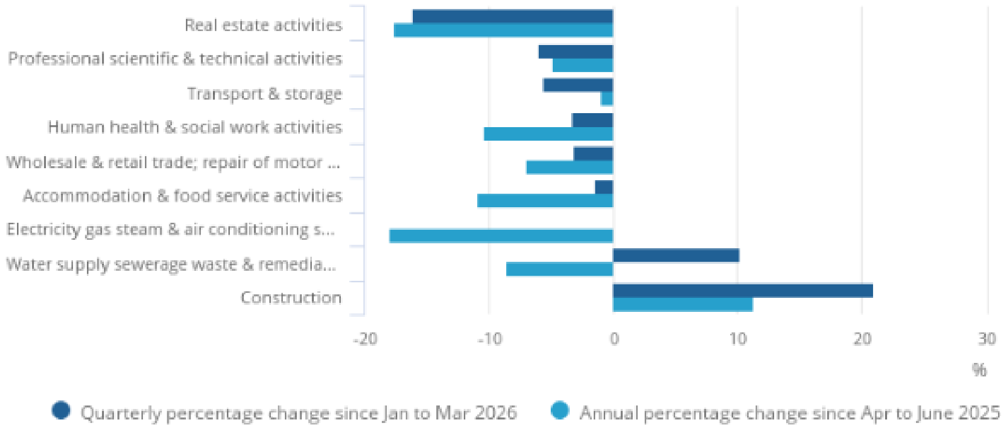
The national vacancy picture remains uneven across sectors. ONS data for April to June 2026 shows that vacancies decreased in 10 of the 18 industry sectors compared with the previous quarter. The largest volume decreases were in professional, scientific and technical activities and human health and social work activities, both down by 4,000 vacancies. The largest percentage decrease was in real estate activities, down by 16.1%.[1]

On an annual basis, total vacancies were down by 18,000, or 2.5%, compared with April to June 2025. Human health and social work activities had the largest annual volume decrease, down by 14,000 vacancies, followed by accommodation and food service activities, down by 9,000, and wholesale and retail trade, down by 6,000.[1]

Despite this, some sectors are still expected to create longer-term demand for skills. Skills England's Annual Skills Report 2026 identifies continuing demand for priority jobs in key sectors including clean energy, construction and digital. Its sector skills needs assessments also cover priority sectors where demand and supply pressures are likely to develop, including advanced manufacturing, digital and technologies, financial services and creative industries.[9]

This reflects a labour market where overall vacancies have softened, but specialist skills remain important in areas connected to innovation, infrastructure, technology and business transformation.

Vacancy changes vary by industry sector
Vacancies in the UK in April to June 2026
Quarterly and annual percentage growth
Source: Office for National Statistics



Oxfordshire outlook

Despite the challenges, Oxfordshire remains a strong recruitment region, with academia, life sciences, advanced manufacturing, clean energy and technology providing high-value employment for a highly educated and qualified workforce, both directly and indirectly. Oxfordshire County Council has described the county as having globally renowned strengths in innovation, life sciences, clean energy, AI and quantum computing, and advanced manufacturing.[10]

The county continues to perform strongly against wider regional and national labour market measures. The latest Nomis labour market profile for OxLEP shows employment at 83.6%, compared with 78.9% across the South East and 75.5% across Great Britain. Unemployment stands at 2.7%, compared with 3.5% across the South East and 4.5% across Great Britain, demonstrating the continued resilience of the local economy.[8]

The Oxford to Cambridge Growth Corridor is also expected to support longer-term demand for skilled people across innovation-led sectors. The latest investment prospectus identifies ARC Oxford as an 88-acre innovation campus in east Oxford, bringing together life sciences, health technology and digital innovation businesses.[11] However, the region still faces challenges. High employment levels mean many experienced candidates are already in work, while employers continue to deal with salary expectations, hybrid working expectations, longer hiring timelines and the difficulty of sourcing candidates with the right skills and experience.

Despite this, competition among employers for experienced specialists remains high. Oxfordshire ranks strongly for professional occupations, with the latest Nomis profile showing Professional Occupations at 32.1% compared with 27.4% across Great Britain, Administrative and Secretarial occupations at 9.2% compared with 9.0%, and Managers, Directors and Senior Officials at 13.2% compared with 11.4%.[8]

Employers are responding to the region's recruitment challenges by hiring more strategically, in many cases in partnership with a specialist recruiter, such as Allen Associates. In response to continued candidate expectations around salary, hybrid working and benefits, Allen Associates can advise clients on salary benchmarking, flexible working policies, the strength of the role brief and the most appropriate route to market, helping employers remain competitive in recruitment and retention.

The Oxfordshire labour market

Employment

Oxfordshire has an employment rate of 83.6% for 16-64 year olds, compared to 78.9% in the South East and 75.5% in Great Britain.[8]

Unemployment

The unemployment rate in Oxfordshire currently stands at 2.7%, against 3.5% in the South East and 4.5% in Great Britain.[8]

Key features of the Oxfordshire recruitment market

Allen Associates has compiled the following summary based on its firsthand experiences of working with candidates and clients on business support roles across Oxfordshire:

- Oxfordshire continues to outperform the South East and Great Britain on employment, reflecting a resilient local economy and strong demand for skilled people.[8]
- Oxford employers continue to feel the effects of rising employment costs, including wage increases, National Insurance contributions, the National Living Wage and wider operational costs. Many employers are still reviewing headcount carefully and taking a more strategic approach to new hires.
- Candidate availability has increased nationally, but Oxfordshire employers are still experiencing difficulty finding candidates with the right combination of skills, experience, salary expectations and availability.
- Talent retention, including work and location flexibility, remains a key issue for employers in the Oxfordshire region, with many organisations continuing to offer training, development and internal progression opportunities to retain existing employees.

- Competition for the best talent remains a key issue for employers in the area, particularly across PA, Administration, HR, Finance and Marketing roles where candidates are comparing salary, flexibility, commute and the quality of the recruitment process.

- Temporary, interim and contract recruitment remain important options for employers who need additional support but are not ready to commit to permanent headcount.

You can find the latest job postings data for Oxford and Oxfordshire on Indeed's data portal. Just navigate to the regional tab and select from the dropdown menu.

Three long-term recruitment challenges facing Oxfordshire employers

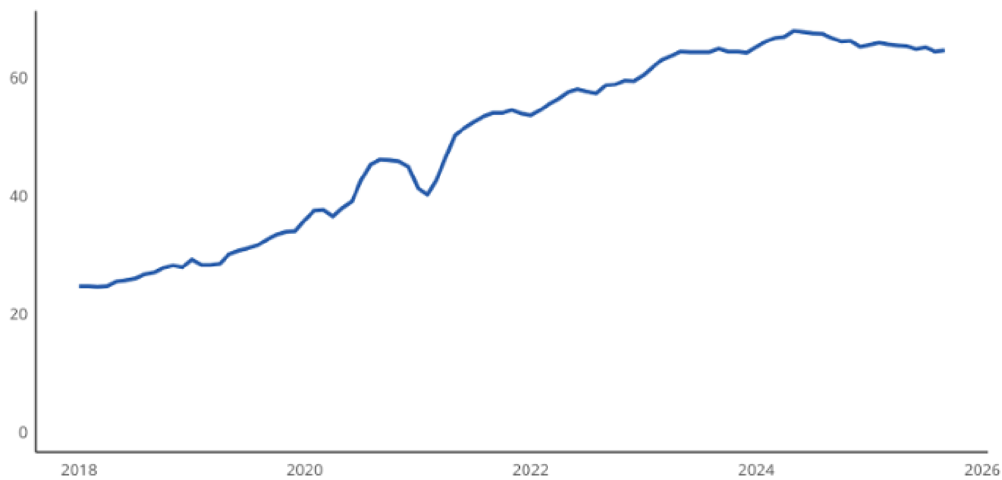
1. Benefits and flexibility remain under pressure

Going into 2026, Indeed data showed that the share of UK job postings advertising at least one benefit had fallen from its recent peak, with employers reviewing reward packages in response to higher operating costs and tighter budgets. These include financial perks, travel-to-work benefits, time off, wellbeing, flexibility, medical and dental benefits, food, career development, childcare and relocation assistance.[12]

Share of UK job postings advertising at least one benefit

September 2025

Source: Indeed Hiring Lab, 2026 UK Jobs and Hiring Trends Report



However, hybrid working remains a much-valued benefit for employees and candidates, with the share of job postings mentioning remote and/or hybrid arrangements remaining close to recent peaks. Searches for remote or hybrid work have also remained close to peak levels, at around 2.4% of all UK job searches.[12]

Share of UK job postings mentioning remote and/or hybrid flexibility

October 2025

Source: Indeed Hiring Lab, 2026 UK Jobs and Hiring Trends Report

Nevertheless, one major change is that hybrid job postings are now specifying more in-office days, with more than half of hybrid job postings specifying a minimum of two or three days a week in the office. This suggests that employers are beginning to define remote and hybrid working arrangements more tightly than they did during the post-pandemic period.[12]

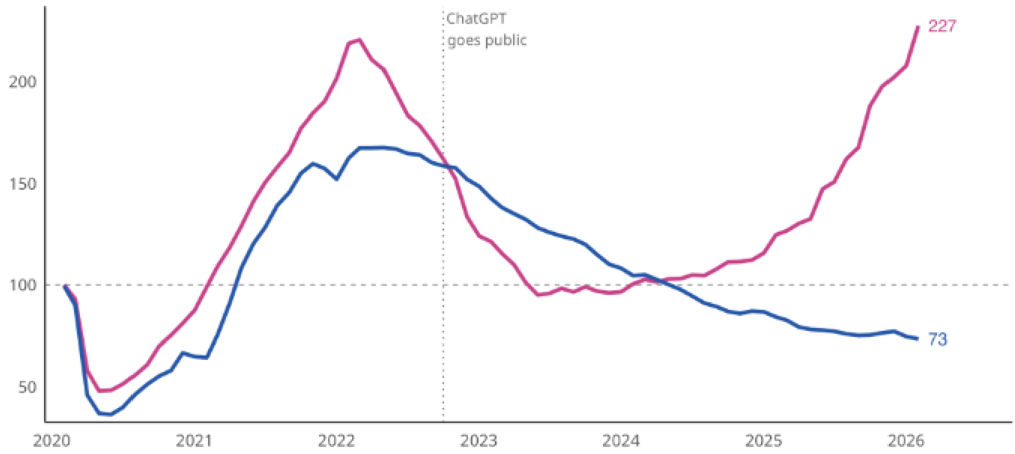
Insights into benefits are vital for employers. Candidates are still weighing salary alongside flexibility, wellbeing, development, commute and the wider employment offer. Where employers are cutting back on benefits or asking for more office attendance, they need to be clear about what the role still offers and how it compares with other opportunities in the local market.

2. The effect of AI

The number of job postings mentioning AI has continued to rise, even while the wider jobs market has softened. Indeed Hiring Lab reported that overall UK job postings were 27% below their pre-pandemic baseline at the end of February 2026, while postings mentioning AI were 127% above their baseline. Around 7.5% of UK job postings included AI mentions.[13]

UK job postings mentioning AI compared with overall UK job postings

Source: Indeed Hiring Lab



Indeed data also shows that AI mentions have risen across knowledge-work occupations, including data and analytics, software development, finance, marketing, HR and accounting. Data and analytics had the highest share of AI-related postings at 47%, followed by software development at 41%.[13]

However, many AI references lack clear context. A mention of AI can refer to advanced machine learning expertise, everyday use of AI tools, data analysis, process improvement, or a note that AI may be used during the recruitment process itself, which makes clear job design and role briefing increasingly important.

For Oxfordshire employers, AI is likely to affect recruitment in two ways. First, it will change the skills required in some PA, Administration, HR, Finance and Marketing roles. Secondly, it may increase application volumes as more candidates use AI tools to draft CVs, tailor covering letters and apply for roles more quickly.

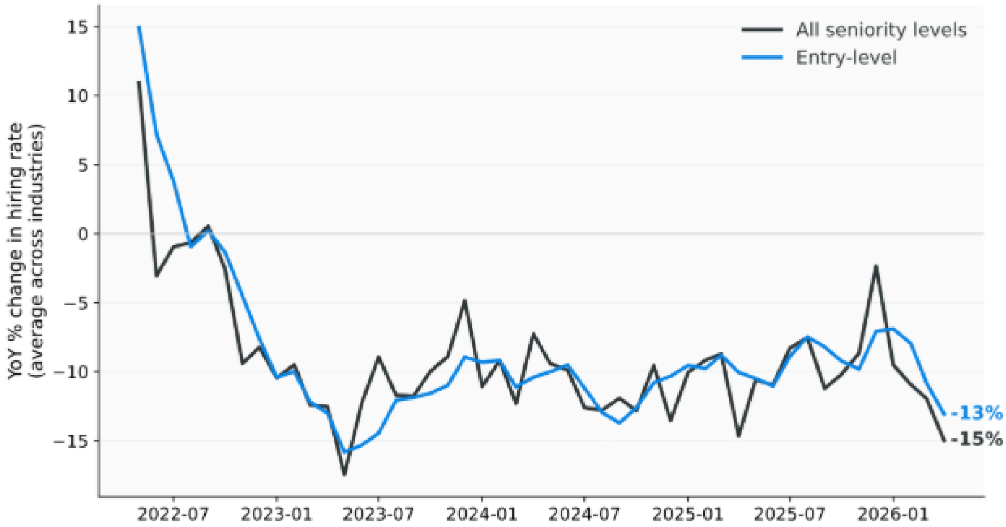
3. Graduate and entry-level opportunities are being affected

Graduate and entry-level opportunities remain under pressure. Indeed Hiring Lab's July 2026 employment commentary noted that uncertainty is weighing most heavily on entry-level and junior hiring, with youth unemployment reaching 16.4%, its highest level since late 2014.[3]

The wider youth labour market is also under pressure. ONS data shows that 1,012,000 young people aged 16 to 24 were not in education, employment or training in January to March 2026.[14]

UK hiring rate, entry-level roles compared with all seniority levels

Source: GOV.UK / LinkedIn data



Entry-level hiring is not moving in one simple direction. A government snapshot of UK entry-level hiring, published in June 2026, found that entry-level hiring is weak, but broadly falling in line with the wider labour market rather than dropping sharply on its own. The same analysis found large variation between roles, with most entry-level occupations declining, particularly knowledge-sector roles, while some sales and customer-facing roles were growing.[15]

A weaker entry-level market has longer-term consequences for employers. Fewer early-career hires can reduce the future pool of people ready to step into adviser, manager, analyst and coordinator roles. In PA and Administration, HR, Finance and Marketing, junior roles are often where people first learn systems, reporting, candidate communication, invoice processes, campaign delivery and client administration.

If these routes narrow, employers may find themselves competing harder later for mid-level candidates who have already built that experience elsewhere.

What does it mean for your hiring?

1. Skills shortages persist

Despite higher candidate availability, employers are still struggling to find candidates with the right skills and experience. The Open University's Business Barometer 2026 found that 57% of UK employers are facing skills shortages, while LinkedIn's January 2026 research found that 66% of recruiters said finding qualified talent had become harder over the previous year.[5 6]

This means that a greater number of applications will not necessarily translate into a stronger shortlist, and employers still need clear role requirements, realistic salary benchmarking and an efficient recruitment process to identify suitable candidates quickly.

2. Salary and benefits packages

A competitive salary remains an important part of candidate decision-making. Wage growth has slowed from the levels seen in recent years, with ONS data showing regular pay growth at 3.4% in March to May 2026 and private-sector regular pay growth easing to 2.9%. However, KPMG and REC reported stronger starting salary growth in July, reflecting competition for suitably skilled and experienced candidates.[1 2]

Benefits packages are also under scrutiny. Hybrid working, wellbeing support, training and development opportunities remain important to candidates, particularly where salary movement is limited. Employers who are cutting back on benefits or increasing office attendance requirements need to be clear about the wider value of the role.

3. Hybrid work remains popular with candidates

Hybrid working remains popular with candidates, especially in professional and office-based roles. Indeed's 2026 UK Jobs and Hiring Trends Report found that remote and hybrid job postings remained close to recent peaks, while searches for remote or hybrid work also remained close to peak levels, at around 2.4% of all UK job searches.[12]

However, many employers are defining hybrid arrangements more tightly, with more postings specifying a minimum number of office days. Candidates are now looking closely at what hybrid working means in practice, including office days, core hours, flexibility during probation and whether arrangements vary by team or manager.

4. Recruitment activity is showing signs of stabilisation

The latest KPMG and REC data suggests that the recruitment market may be beginning to stabilise. Permanent staff appointments held steady in July following a 45-month period of decline, while temporary billings rose for the fourth consecutive month and temporary vacancies increased for the first time in two years.[2]

This points to a slightly more positive market than earlier in the year, but it does not remove the need for careful planning. Employers should still agree the role brief, salary range, working pattern, interview process and approval route before going to market, particularly where they need to move quickly for the right candidate.

Recruitment advice for Oxfordshire employers

The team at Allen Associates has been supporting businesses in Oxfordshire with recruitment across PA, Administration, Marketing, HR, and Finance for over 28 years.

As we move into the second half of 2026, the employment market presents a range of challenges and opportunities for both employers and candidates, with some signs of stabilisation but continued caution in hiring strategies in response to UK and global economic conditions, evolving workforce trends and dynamic new business needs.

Kate Allen

Founder & Executive Chair

Allen Associates

“We’re seeing a more stable employment market than we saw earlier in the year, with permanent staff appointments stabilising in July after a long period of decline, temporary billings rising and temporary vacancies increasing for the first time in two years.[2] Under normal circumstances, this would suggest a much easier hiring environment for employers. However, in Oxfordshire at the moment, the reality is still more complex.

The employment level remains high and unemployment is significantly lower than the national average, reflecting the county’s specialism in sectors such as clean energy, life sciences, advanced manufacturing, education, technology and professional services.[8] This creates a wider national pool of available candidates, but continued competition for local specialists with the right skills and experience.

Oxfordshire employers, therefore, find themselves in the position of having to deal with higher application volumes in some areas, not all of which are qualified or suitable, as well as continued salary expectations, hybrid working expectations, rising employment costs and economic uncertainty.

In order to respond effectively, employers need to take a more strategic approach to talent attraction, as well as being more selective about the applications that they receive. This could include creating more comprehensive job descriptions, realistic salary benchmarking, clarity around hybrid and flexible working, and an increasing focus on upskilling their existing staff in order to ensure retention.

Partnering with a specialist recruiter, such as Allen Associates, can help employers to focus on the essential aspects of their vacancies, access untapped talent pools and cope with the realities of a market where the volume of applicants may have increased, but their suitability has not necessarily improved.

Eleanor Bromage

Managing Director

Allen Associates

“Despite the higher supply of labour nationally, skills shortages remain one of the most pressing challenges for employers in 2026. The Open University’s Business Barometer found that 57% of UK employers are facing skills shortages, while LinkedIn’s January 2026 research found that 66% of recruiters said finding qualified talent had become harder over the previous year.[5,6]

AI-powered applications have made the application process simpler for candidates and increased the number of people applying, but they have also made it harder for employers to assess relevance and suitability quickly. Some applications may appear well matched to a vacancy on paper, while still lacking the essential experience, skills or expectations required for the role.

At the same time, entry-level and junior opportunities remain under pressure. Indeed Hiring Lab’s July employment commentary noted that youth unemployment had reached 16.4%, its highest level since late 2014, while ONS data shows that more than one million young people aged 16 to 24 were not in education, employment or training in January to March 2026.[3,14] This has the potential to create risks for future talent pipelines both in the region and across the country, and we’ll be monitoring this situation very carefully.

Candidate expectations are also changing. Continued cost-of-living pressures mean that candidates still need a competitive salary, even though wage growth has slowed from the levels seen in recent years. Many candidates are also looking closely at flexible working, wellbeing support, training, development and the overall quality of the recruitment process before deciding whether to move.

In order to respond to the challenges of the second half of the year, Oxfordshire employers should focus on creating clear and effective employer branding, offering flexible working where possible and providing benefits such as career development opportunities to give themselves a competitive edge without a dramatic increase in costs. To widen their talent pools and attract candidates with the skills they need, they should also focus on inclusive hiring practices and increase their use of data to gain deeper insights. Above all, they should be prepared to be adaptable to the changing and still challenging conditions that 2026 will bring.

What are Oxfordshire employers looking for in their new hires?

- High-quality candidates who meet the brief
- Temporary and contract staff, in addition to permanent staff
- Relevant technical skills and sector experience
- Transferable skills, including communication, organisation and adaptability
- Good candidate fit, including realistic salary, hybrid and commute expectations
- The ability to add immediate value in leaner or stretched teams

What are candidates looking for from their new employers?

- Competitive salary and a clear salary range
- Benefits packages, specifically flexible working, including hybrid, compressed hours and job-sharing
- Structured career progression and development opportunities
- Wellbeing and mental health initiatives
- Flexible roles, including temporary, temp-to-permanent and contract
- Strong workplace culture and clear expectations around office days
- Mentoring and support for development
- DE&I initiatives that are visible in the recruitment process

Hiring in Oxfordshire

If you're looking for quality, pre-interviewed candidates for your business support roles in Oxford or elsewhere in Oxfordshire, we would love to hear from you.

Based in Oxford, Allen Associates has been matching great people to roles and employers for more than 28 years. We apply the same rigorous recruitment processes to our temporary and permanent vacancies, so whatever your needs, you can be confident of an excellent service underpinned by passion, personality and integrity.

For support with your next hire:

Call us on **01865 335600** or email us at **hello@allen-associates.co.uk**

Useful contacts and more insights

Allen Associates runs monthly webinars on a wide range of people management topics led by guest speakers, as well as quarterly Employment Law Updates with our legal partner, RWK Goodman. To find out more and register for these free events, please visit the **Allen Associates HR Hub** page on our website.

The very latest data and insights on the UK labour market are available at **Indeed's Hiring Lab**.

Recruitment industry news and information is available from the **Recruitment & Employment Confederation (REC)**.

For more on the Oxfordshire economy, visit the **Oxfordshire Local Enterprise Partnership (LEP)**.

Previous Oxfordshire Recruitment Market Overviews are available to download from **Allen Associates Knowledge Centre**.

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