

Oxfordshire Pulse Survey

Q2 2025 | Hiring Challenges, Market Trends & Salary Insights



Introduction & Methodology

The Oxfordshire job market remains highly competitive in 2025, with businesses balancing sometimes urgent recruitment needs against economic uncertainty, rising operational costs and rapidly evolving employee expectations.

Insights from the latest **Oxfordshire Pulse Survey** provide a comprehensive overview of the challenges, trends and investment priorities shaping the region's hiring landscape.

To ensure data reliability, our Oxfordshire Pulse Survey followed best practice for survey research, including:

- **Survey Audience**
Participants were Oxfordshire-based employers and hiring professionals.
- **Data Collection**
Responses were gathered through online questionnaires distributed via email and LinkedIn to our recruitment network.
- **Survey Period**
Data was collected over a four-week period from May to June 2025.
- **Sample Size & Representation**
A wide range of businesses participated, ensuring a diverse representation of industries and company sizes within sectors as diverse as Education, Luxury Retail, Waste Management, Charity and Not-For-Profits, Finance, Science & Engineering, Manufacturing, Construction, Business Services, Healthcare and Technology.
- **Question Structure**
The survey comprised both multiple-choice and open-ended questions to capture qualitative and quantitative insights.

Our goal is to build on this sentiment research to provide a pulse on Oxfordshire's hiring landscape, reflecting what businesses are planning now and in the future.



01

Business Challenges & Market Trends

Oxford-based businesses continue to experience rising operational costs (**61%**), talent retention issues (**58%**), skills shortages (**48%**) and economic uncertainty (**38%**), with over **22%** actively recruiting but struggling to attract high-quality talent.

Key Trends Influencing Hiring Strategies:

- Labour Market Regulations**
 Businesses throughout Oxfordshire continue to adjust to changes in labour market regulations (**38%**), including recent updates to employment law.
- Employee Wellbeing & Mental Health Initiatives**
 Employee wellbeing and mental health continue to be a factor for both employers and talent, with **13%** actively prioritising initiatives to support both current and future employees.
- Cost Pressures**
19% of all respondents said that they were dealing with budget constraints. However, **61%** noted that high salary expectations from candidates were putting the most financial stress on their businesses.
- Skill Shortages**
 Over **45%** of Oxford-based employers said that the most significant recruitment challenge they're facing at the moment is dealing with a lack of suitably qualified and experienced candidates. And **22%** noted that attracting high-quality candidates presents ongoing issues.

What This Means for Employers:

- Salary benchmarking and structured career progression will be essential to attracting and retaining top talent in a competitive market.
- Employers must be proactive in workforce planning, ensuring they have the right hiring strategies in place and the necessary support for employees once they are in their role.
- Investing in **flexible** workforce solutions, such as temporary and contract staffing, can help businesses remain agile in an unpredictable economic climate.



02

Recruitment & Hiring Trends

Oxford's recruitment landscape still presents challenges for employers despite them making increasing efforts to remain agile in a period of severe skills shortages.

Businesses that invest in employee learning and development as well as benefits and wellbeing are best positioned to attract and retain the best talent in a competitive market, especially within high-demand areas such as **HR, Finance, Marketing and Administration**.

Key Hiring Challenges:

- High Salary Expectations**
 The biggest obstacle for employers, cited by **61%** of respondents, was **high salary expectations** from potential talent.
- Rising Operational Costs**
61% of respondents have been affected by the **rising costs** of items such as employment costs, utilities and raw materials.
- Talent Retention**
58% of businesses reported that **retaining top talent** presented a significant challenge.
- Skills Shortages**
 One of the key issues for employers in **Oxfordshire** is the current skills shortage, with **48%** of respondents stating that it has the potential to impact productivity and innovation.
- Economic Uncertainty**
 Over **38%** of respondents cited **economic uncertainty** as a key challenge for **Oxfordshire** businesses, potentially affecting performance and profitability.
- Changes in Legislation**
 Recent changes in legislation, including the **Employment Rights Bill (ERB)**, increases to the **National Living Wage** and **National Minimum Wage** and ending zero hours contracts, have had an impact on **35%** of our respondents.
- Competition for Talent**
 Competition for skilled professionals who align with the needs of businesses within **Oxfordshire** remains one of the key issues facing employers in the region, with **32%** of respondents noting that it has affected them.



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Recruitment & Hiring Trends

Employer Takeaways:

- **Offer Competitive Salaries & Benefits**
Salary transparency, enhanced benefits packages and career progression opportunities are crucial in securing top-tier talent.
- **Leverage Temporary Staffing Solutions**
If budget constraints are restricting you from making a permanent hire, consider filling your skills gap quickly with temp or temp-to-perm employees.
- **Focus on Employer Branding**
Position your business as an attractive employer by highlighting flexible working opportunities, continuing learning and development, a strong workplace culture and wellness initiatives.



03

Investment Priorities & Technology Adoption

Despite economic challenges, businesses are still investing strategically to drive growth, particularly in areas such as technology, recruitment and employee wellbeing.

Top Areas of Investment in This Period:

- **Learning & Development (35%)**
Oxfordshire businesses are investing in learning and development opportunities in order to attract and retain skilled employees.
- **Technology & Innovation (32%)**
Companies are automating processes, adopting AI-driven hiring tools and enhancing digital recruitment strategies.
- **Employee Benefits & Wellbeing (13%)**
We're seeing increased focus on mental health support, flexible working and enhanced financial incentives designed to improve employee satisfaction and increase retention.
- **Recruitment (13%)**
Businesses are refining their hiring processes, working with recruitment specialists and improving employer branding.

AI & Automation in Recruitment:

We asked if they planned to increase the use of AI or automation in their hiring or onboarding processes:

- **48% of businesses** have no plans to increase their use
- **25% of businesses** said they would increase it moderately
- **22%** were unsure
- **Only 3% of businesses** said they planned to increase their use significantly.



03

Investment Priorities & Technology Adoption

How Employers Can Stay Competitive:

- **Learning & Development**
Offer learning and development programmes to encourage employees to make a long-term commitment.
- **Adopt HR Tech Where it Adds Value**
Use automation to streamline the hiring process while maintaining a personalised recruitment experience for candidates.
- **Prioritise Employee Wellbeing Investments**
Attractive benefits packages and flexible working policies will set your organisation apart from its competitors.



04

Recruitment and Retention Challenges

The continuing **skills shortage** remains a key concern, with **45% of employers expressing unease** at the ongoing situation. Attracting high-quality candidates was also a high priority (**22%**) for employers.

Workforce Retention Strategies:

- Career Development Opportunities**
 Lack of career growth is a major reason that employees consider leaving. **32%** of candidates see **career progression opportunities as vital**, so it's encouraging that 35% of employers are willing to invest in learning and development.
- Flexible Working**
 Significantly, only **6%** of employers thought that flexible working arrangement expectations would be a challenge to them, implying that many have already adopted hybrid working, compressed hours or job sharing models in order to attract and retain top talent.
- Salaries & Benefits**
61% of employers felt that higher salary demands would be a **major challenge** in the coming months.
- Diversity & Inclusion (D&I) Initiatives**
 When asked if improving D&I was a priority for their organisations in 2025, **64%** said that it was important but not a primary focus, with only **9%** of respondents replying that it was a key priority.

How to Strengthen Workforce Planning:

- Consider offering **current and future staff upskilling**, mentorship programmes and clear progression pathways in order to retain their skills and experience.
- In order to deal with high pay expectations, employers can use **salary benchmarking** to ensure that pay offers are competitive, as well as a **range of benefits** to both attract and retain talent.
- Expand Diversity & Inclusion Efforts**
 Create inclusive hiring policies to widen candidate pools and improve employee attraction and retention.



05

Employer Expectations from a Recruitment Partner

When choosing a recruitment agency, the main priorities for participating businesses are:

- **Improved candidate fit (41%)**
- **Access to specialised talent pools (32%)**
- **Market insight and salary benchmarking (19%)**
- **Faster turnaround times (6%)**

How Allen Associates Supports Employers:

- **Specialist Candidates**
A range of PA and Administration, Marketing, HR and Finance talent who've been pre-vetted to ensure a great fit with your organisation.
- **Data-Driven Recruitment Strategies**
Providing you with real-time salary insights and hiring trends.
- **Consultative Approach**
Offering you tailored recruitment solutions that streamline hiring and retention strategies.

Final Thoughts & Recommendations

Key Takeaways for Employers:

- **Focus on Hiring Flexibility**
Temporary and contract staffing and temp-to-perm solutions can help manage strained budgets.
- **Stay Ahead of Salary Trends**
Make the most of salary benchmarking information, which can be effective in recruiting and retaining top talent in a highly competitive market.
- **Employee Wellbeing**
Prioritise employee wellbeing and mental health initiatives to enhance recruitment and retention.
- **Utilise Recruitment Technology**
AI and automation can optimise hiring, but human expertise remains essential.



Executive Summary

“The Oxfordshire job market remains fiercely competitive in Q2 of 2025, with employers balancing rising costs, skills shortages and evolving workforce expectations. Our Oxfordshire Pulse Survey — featuring insights from local businesses — highlights key challenges for organisations in the area, including talent retention, high salary demands and regulatory changes.

Businesses are responding by prioritising flexible hiring models, wellbeing initiatives and learning and development to recruit and retain valuable talent. While the adoption of recruitment technology is growing, human expertise remains vital. To remain competitive, employers must offer competitive salaries, embrace flexible working and invest in workforce planning. Allen Associates continues to support business growth and agility in the Oxfordshire area with specialist talent, market insights and tailored recruitment solutions.”

Kate Allen — Executive Chair and Founder of Allen Associates

For tailored recruitment solutions, contact **Allen Associates** today:

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