

**FUTURE-PROOFING YOUR SME
RECRUITMENT STRATEGY**

FRIDAY NOVEMBER 21, 2025

AGENDA

- Welcome and Introductions
- Setting the Scene: The Current Recruitment Landscape
- AI and Recruitment
- Retention and Turnover
- Cost-effective Hiring Strategies
- Next Steps for SME Owners and Leaders

MEET THE SPEAKERS

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SETTING THE SCENE: THE CURRENT RECRUITMENT LANDSCAPE

- **Decline in Recruitment Activity** – economic uncertainty driving drops in permanent and temporary placements
- **Candidate Availability** – improving slightly due to redundancies, but demand remains low
- Businesses leaning more on **high-quality hiring** rather than volume - targeting the right skill sets, offering compelling compensation and growth and being more efficient in the hiring process
- **Softening Pay Growth** – wage rises slowing as SMEs manage cost pressures, NI, and inflation
- **SMEs Facing Economic Sensitivity** – smaller financial buffers and higher exposure to market fluctuations
- **Persistent Talent Shortages** – ongoing difficulty filling roles despite wider availability.
- **Demographic & Health Impacts** – ageing population and long-term sickness shrinking the labour pool.
- **Skills Mismatch** – gaps between job requirements and available skills limiting growth and productivity.

AI AND RECRUITMENT - HOW AI IS RESHAPING THE UK RECRUITMENT MARKET

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AI ADOPTION TRENDS AND EFFICIENCY GAINS

Rapid Adoption

- AI use in UK recruitment has **tripled**. Used by **30% of employers & 90% of large enterprises**
- **45%** are testing **Generative AI** in hiring

Efficiency & Cost Savings

- Recruiters save **18%** of their week. Hiring costs cut by **up to 71%**
- ATS tools automate **CV screening & interview scheduling**

Smarter Hiring

- **Contextual CV matching** reduces bias
- **Predictive analytics** forecast success & retention
- **Skills-based matching** expands talent pools

Improved Candidate Experience

- **AI chatbots** offer 24/7 support
- Transparent processes boost **employer brand**

AI ADOPTION TRENDS AND EFFICIENCY GAINS

Treat with Caution

- AI may **miss human qualities** like personality, creativity, cultural fit
- Over-automation can feel **impersonal**
Efficiency gains are valuable—but only if we **automate the right things**

RETENTION AND TURNOVER

- Nearly **half of employees** would leave their job today - **not for more pay, but for more purpose**
- The **average cost of turnover** per employee can reach **6–9 months' salary**
- SMEs struggle to compete on salaries and benefits - culture and development are the differentiators

The five pillars of retention

career development

- **94% of UK employees** say that investment in career development impacts their decision to stay.
- Lack of advancement opportunities is the **top driver of voluntary turnover** in UK firms.
- Only **26% of UK employees** believe their employer actively supports career progression.

managerial relationships

- Poor management is responsible for **43% of UK resignations**.
- Only one in four UK employees feel their manager **motivates them to do their best work**.
- Managers with strong people skills **reduce turnover** by up to 27%.

workplace culture

- **79% of UK jobseekers** consider company culture before applying.
- **Toxic workplace** culture was a key factor in the UK's "Great Resignation" period.
- UK companies with **inclusive and positive cultures** experience up to 30% higher retention.

recognition/feedback

- 69% of UK employees say they would **work harder** if they felt more appreciated.
- Organisations with strong recognition cultures see 31% **lower voluntary turnover**.
- Only 33% of UK employees receive **meaningful recognition** weekly.

work-life balance

- 87% of UK employees value **flexible working** options.
- Work-life balance ranks as the **second-most cited reason for leaving** roles in the UK.
- Employers offering hybrid/flexible work see 24% **lower attrition**.

RETENTION AND TURNOVER

Quick Wins for SMEs

- Conduct **stay interviews** to understand what keeps people
- Map **career paths** and build structured onboarding
- Recognise achievements **weekly** - not annually
- Offer **flexible and hybrid working** to retain talent
- Invest in **management training** to build better leaders

EMBRACE FLEXIBLE WORKING MODELS TO RECRUIT AND RETAIN

Broaden Talent Pool

Flexible working models enable SMEs to access a wider range of candidates beyond geographic limits.

Enhance Work-Life Balance

Offering flexible arrangements to individuals seeking a better work balance, including parents and caregivers, breeds loyalty and wellbeing.

Increase Employee Satisfaction

Flexible arrangements foster trust and empowerment, leading to higher satisfaction and retention.

Support Inclusivity and Adaptability

Flexible work supports inclusive participation and prepares SMEs for future employment trends.



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**FLEXIBILITY
MATTERS**

Experts in Flexible Working



COST-EFFECTIVE HIRING STRATEGIES


“Recruitment is culture in action - every hire tells your story.”


BUILD A RECRUITMENT STRATEGY THAT SAVES MONEY AND STRENGTHENS CULTURE


- **Recruitment is culture in action:** every hire shapes your organisation's values and reputation.
- **Shift from reactive to proactive:** plan for future skills and talent needs instead of filling gaps.
- **Integrate recruitment with business strategy:** align workforce planning, culture, and growth goals.
- **Focus on retention first:** keeping talent is cheaper than replacing it.
- **Use data and technology wisely:** automate admin, not relationships.

BUILD A RECRUITMENT STRATEGY THAT SAVES MONEY AND STRENGTHENS CULTURE

 **Workforce Planning:** identify future roles and skills gaps early.

 **Employer Brand:** show authenticity and values to attract aligned talent.

 **Metrics & Measurement:** track time-to-hire, retention, and candidate experience to reduce waste.

 **Inclusion & Flexibility:** widen your pool and improve retention with adaptable work options.

BUILD A RECRUITMENT STRATEGY THAT SAVES MONEY AND STRENGTHENS CULTURE

- **Leverage your networks:** employee referrals, alumni, and community links beat costly job ads.
- **Use free or low-cost channels:** Indeed, Google for Jobs, LinkedIn, and local partnerships.
- **Invest in upskilling:** fill skills gaps internally to reduce dependency on external hires.
- **Build early talent pipelines:** internships, apprenticeships, and mentoring schemes.
- **Showcase authentic culture:** use staff stories, social media, and testimonials instead of paid campaigns.
- **Streamline your process:** automated scheduling and quick skills assessments cut drop-outs.
- **Offer flexible work:** remote, hybrid, and project-based roles attract strong talent without raising pay.
- **Collaborate with specialist recruiters:** gain niche expertise without full-time costs.

NEXT STEPS FOR SMES

Get Strategic

- Develop a **formal recruitment plan** aligned with your business goals.
- Move from **reactive hiring** to **proactive workforce planning**
- Identify **future skills gaps** and create a pipeline before you need it

Strengthen Your Culture and Brand

- Define and communicate your **Employee Value Proposition (EVP)**
- Showcase your **values and people stories** authentically online
- Build a culture where people **want to stay and grow**

NEXT STEPS FOR SMES

Work Smarter, Not Harder

- Use **AI and automation** to remove admin, not the human touch
- Partner with **specialist recruiters** for hard-to-fill or flexible roles
- Invest in **upskilling and management training** to retain talent

Prioritise Flexibility and Inclusion

- Offer **flexible work models** to widen your talent pool and cut costs
- Create **inclusive hiring processes** that focus on skills, not gaps

THANK YOU

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