THE ADECCO GROUP

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Key Priorities for UK Business Leaders

Reshaping Talent Strategy for Resilience and Growth

2025

Introduction

The foundations of talent strategy are shifting beneath our feet. What worked even two years ago – reactive headcount filling, skills checklists, traditional pipelines – is proving insufficient for the challenges ahead. The organisations that thrive will be those that fundamentally reimagine how they attract, develop and retain talent in an era of unprecedented disruption.

Drawing on our partnerships with over **5,000 clients across the UK and Ireland**, and insights from the **Adecco Group's 2025 Business Leader Research**, we see three urgent shifts shaping the future.

1

Geopolitical risk is set to overtake economic uncertainty,

being the primary concern for **a quarter of business leaders** over the next five years, reshaping where and how organisations hire.

2

AI adoption is rising fast,

with **84% of UK businesses** planning to implement GenAI tools. Yet only **49% of employees** feel prepared to use them.

3

Workforce resilience is under strain,

with **41% of UK organisations** feeling unprepared for future demands and only one in ten workers engaged.

Our findings come from the Adecco Group's Business Leader Research, which surveyed **2,000 C-suite leaders** in **13 countries**, representing nearly **10 million workers**. In this report, we explore the most pressing challenges identified by UK respondents and how businesses can continue to thrive in an era defined by geopolitical risk, AI and workforce disruption.

Why does this matter?

The window for strategic adaptation is narrowing. Organisations that wait for these trends to fully materialise will find themselves perpetually reactive, competing for talent in markets they didn't help shape. Those that act now – building resilient talent strategies, investing in future-ready capabilities, and creating cultures that attract and retain top performers – will define the competitive landscape for the next decade.

How Global Megatrends are Impacting Talent Strategy

As UK business leaders navigate a rapidly evolving landscape, they report that while traditional drivers like digitalisation and automation are becoming business-as-usual, emerging forces such as generative AI, talent scarcity and growing geopolitical uncertainty are set to reshape talent strategy over the next five years.

		Strategic Enablers of Talent Strategy	
		Short-Term	***Long-Term***
 **Digitalisation and Automation**	**10%** Decline in impact, moving from transformation to established	• Train teams to measure ROI of digital tools • Streamline tech usage • Champion tech confidence, not just adoption • Embed digital literacy to boost daily performance	• Build flexible talent frameworks for emerging tools • Focus future roles on decision-making over execution • Attract and grow talent linking digital capability to business outcomes
 **Generative AI**	**20%** Surge in impact by 2030, the biggest organisational force of change	• Integrate Generative AI to streamline transactional tasks • Shift job design to outcome-based assignments • Hire and develop for roles blending human judgment with AI capability • Equip managers to redesign work, not just workflows	• Build flexible workforces with freelancers, AI tools, and permanent teams • Introduce ethical AI principles • Redefine performance metrics to measure impact • Develop teams skilled at balancing AI efficiency with human insight
 **Geopolitical Uncertainty**	**5%** Rise in concern, adding complexity to long-term talent strategy	• Strengthen cost management • Build agile supply chains • Prioritise adaptable, high-pressure performers	• Evolve talent strategies for a volatile world • Embed geopolitical intelligence into leadership, planning, and operations

Building Workforce Resilience Amid Talent Challenges

Organisations today are navigating a workforce landscape that's more fragile than ever. Challenges like skills shortages, disengagement, weak succession planning, poorly defined culture, and mental health pressures interact and amplify one another, revealing deeper cracks in strategy and the way organisations connect with their people.

41%

of leaders report workforce strategy is outpaced by disruption

This gap threatens agility, innovation, and growth. With AI, automation, and regulatory change accelerating, many organisations are reacting rather than proactively evolving – a state of strategic paralysis.

30%+

of leaders cite talent scarcity and disengagement as top risks

These challenges, compounded by low retention and weak organisational culture, point to a systemic drain on performance. Gallup's 2025 State of the Global Workforce report reinforces the urgency: while disengagement remains a global issue, highly engaged teams consistently deliver stronger growth and profitability.

29%

see lack of leadership readiness as a growth risk

Though rated a lower short-term risk, weak leadership readiness signals a critical long-term vulnerability. Without investment in developing future leaders, organisations risk stalled transformation and slower growth.

33%

say supporting workforce mental health is key to performance

One in three leaders cite mental health as a top threat, yet it remains under-addressed in strategy. Left unchecked, poor mental health drives burnout, turnover, and disengagement, compounding existing workforce challenges and eroding performance.

30%

of leaders view regulation and shocks as critical resilience threats

Regulatory shifts and disruptive events pose direct threats to resilience and growth. Rapid policy changes, such as the Employment Rights Bill, can catch businesses off guard, exposing those without agile HR systems to heightened risk.

Proactive Steps to Strengthen Workforce Resilience

Immediate Actions

Use employee surveys to diagnose culture and engagement

Make mental health a priority

Review leadership pipelines and succession plans to prepare for the future

Recognise and celebrate employee achievements regularly

Provide upskilling and reskilling opportunities

Encourage cross-team collaboration to break down silos

Strengthen internal communications for clarity and transparency

Introduce peer mentoring or buddy systems for support

Conduct regular “stay interviews” to understand why employees remain and what could make them leave

Strategic Transformation

Develop workforce strategies that are responsive to change

Align HR plans with evolving laws and regulations

Show employees that feedback leads to real change

Build agile HR systems that can adapt quickly to new policies

Monitor industry trends to anticipate talent and skill needs

Involve employees in co-creating solutions for workplace improvements

Provide regular updates on how external changes affect the organisation

Establish a rapid-response team for emerging workforce challenges

Why does this matter?

Organisations that emerge stronger will be those that understand workforce resilience isn’t just about managing people – it’s about creating lasting competitive advantage by getting the best from their talent.

How AI is Changing the Hiring Landscape

By 2030, the influence of AI and generative AI on organisations is expected to rise significantly, bringing sharper decision-making, greater operational efficiency and a stronger competitive position. However, concerns about data security **(39%)**, a lack of in-house digital skills **(35%)** and ethical considerations **(33%)** are key factors holding some businesses back. In fact, **32%** of companies have yet to establish a formal policy for AI use.

51%

of organisations use AI in recruitment, but only **12%** see strategic impact

This signals a major missed opportunity. AI's real power is in identifying emerging skills, building long-term capability, and anticipating future workforce needs. In today's fast-changing labour market, organisations that embed AI into strategic workforce planning will set the pace.

55%

are holding back on AI in learning and development

Despite clear potential to close skills gaps, support mobility, and boost retention, more than half of organisations have yet to scale AI in learning. With **31%** undecided and **23%** resisting change, hesitation risks widening capability gaps and slowing workforce transformation.

61%

risk falling behind as AI adoption outpaces workforce skills

While AI adoption is spreading rapidly across HR, recruitment, and learning, most organisations are not scaling skills to match. Just **39%** have increased AI training budgets by more than **10%**. With demand for AI expertise doubling in recent years (LinkedIn) and many HR teams unprepared for its impact (Gartner), underinvestment risks misuse, missed opportunities, and ethical missteps that could derail transformation.

53%

highlight change management as key to AI integration

More than half of employers recognise that adopting AI alone is not enough; success depends on managing the change it creates. McKinsey shows AI initiatives with strong change management are far more likely to succeed. In an era of doing more with less, effective change management is what turns AI into productivity, innovation, and lasting value.

How AI is Changing the Hiring Landscape
Recommendations for Employers

Maximise Impact of AI on Recruitment Strategy

Automate with Purpose:
Go beyond CV screening – apply AI across sourcing, onboarding, and candidate engagement to speed up hiring and elevate recruiter impact.

Predict and Personalise:
Use AI to forecast future skills, track labour market shifts, and personalise outreach, job design, and EVP for stronger talent conversion.

Design for Intelligence:
Integrate AI into planning cycles, test hiring strategies in real time, and use skill signals over static CVs to build a smarter, more adaptive workforce.

Embed into Learning and Development

Build a Culture of Continuous Learning:
Develop an AI-enabled learning strategy that integrates into daily work. Use tools that deliver timely, adaptive content to replace one-off training with ongoing, real-time development.

Map and Mobilise Skills:
Use AI to assess current capabilities, predict future skill needs and link learning to internal career paths. This supports workforce planning, retention and internal mobility.

Tailor Development at Scale:
Leverage AI to personalise learning by role, goals and performance data. Deliver targeted content that boosts engagement, speeds upskilling and aligns training with business priorities.

Champion Workforce Readiness

Train Teams on How and When to Use AI Tools:
Provide hands-on training for HR, recruitment and learning teams on using AI tools effectively in real workflows. Focus on where AI adds value, where human input is essential, and how to use it with confidence.

Establish Clear Policies and Guardrails for AI Use:
Set out company-wide guidelines on where and how AI should be used. Create practical frameworks that support safe, consistent adoption and help teams make informed decisions.

Embed Ethical Standards into Recruitment Practices:
Introduce structured guidance to ensure fair and transparent use of AI in hiring. Include bias checks, explainability standards and clear accountability, so recruitment remains inclusive and compliant.

Establish Strong Change Management Principles

Build a Strong Change Strategy to Lead Workforce Transformation:
Back a well-structured approach with clear communication and visible leadership to help employees understand the value of AI. This reduces resistance, builds trust and ensures adoption drives long-term value.

Create a Cross-Functional AI Taskforce with a Talent Lens:
Bring together leaders from HR, IT, legal, operations and business units to align priorities and move quickly.

Position AI as a Tool That Empowers Your Workforce:
Communicate how AI reduces admin, supports smarter decisions and frees up time for higher-value work. Framing AI as an enabler, not a threat, boosts adoption, supports engagement and builds digital confidence across teams.

Conclusion

The talent decisions you make in the next 12 months will determine whether your organisation leads or follows for the next decade. This isn't an exaggeration – it's the reality of operating in an environment where AI, global disruption, and changing workforce expectations are creating massive advantages for those who act quickly and decisively.

The question isn't whether to change – it's whether you'll drive the change or be driven by it.

The organisations that win will understand that getting the right people is their biggest competitive advantage. They'll build strong teams before problems hit, use AI smartly rather than just buying tools, and create workplaces that attract the talent others can't get.

This is exactly where Adecco makes the difference. Working with over **5,000** clients across the UK and Ireland gives us insights others simply don't have. We don't just understand these challenges – we've developed proven ways to solve them. We help with workforce planning, AI-powered hiring, skills development, and managing change, but our real value is helping you build talent strategies that put you ahead of the competition.

Small changes won't cut it anymore. The opportunity for real transformation is right now.

Ready to get ahead?

Speak with our workforce experts to discover how we can help you turn talent challenges into lasting competitive advantage.