

## What goes around comes around. 58% of employers now find it harder to hire skilled mid-level talent

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58% of UK business leaders report that they find it more difficult to hire skilled mid-level talent now compared to three years ago. With a quarter stating they are having to pay a premium for this talent.

Research from global talent solutions provider <u>Robert Walters</u> indicates that a sustained decline in graduate and entry-level recruitment is contributing to hiring challenges. As fewer professionals enter the workforce at the early career stage, organisations are now experiencing increased competition and costs for mid-level talent.

Chris Eldridge, CEO of Robert Walters UK&I, comments: "Our findings emphasise the risks employers face when they hastily reduce entry-level and graduate intakes. It isn't merely a case of short-term cost-saving; large-scale cuts lead to inflated future costs and jeopardise the health of talent pools. This trend isn't new – looking back to 2022 offers us a clear example of the issues which can arise."

2022's mid-level wage inflation 'boom'

2020 saw major cuts to graduate and entry-level hiring, with an annual survey from High Fliers Research revealing that graduate vacancies in 2020 were cut by approximately 15% compared to 2019 levels. The sharpest annual drop in graduate recruitment recorded since the financial crisis of 2008-2009.

Data from Robert Walters <u>Market Intelligence</u> shows that wages for intermediate positions experienced their highest growth in 2022, reaching a six-year peak with a +5% year-on-year increase.



Chris comments: "The sharp rise in mid-level salaries we saw in 2022 was the result of a perfect storm. During the pandemic, major UK firms faced tight budgets, high inflation, and unused office space. As a result, many dramatically cut back on graduate and entry-level hiring, unknowingly creating a bottleneck of future talent. This was felt two years later, when business confidence rebounded and hiring ramped up. Employers suddenly found themselves competing for a limited pool of experienced professionals."

Overall, from 2022 to 2024, wages for these mid-level positions rose by +8% compared to the prepandemic period of 2017 to 2019.

In this period, positions within accountancy, technology, legal services, and engineering noted the biggest surges. Average salaries for roles such as Finance Managers, In-House Lawyers (5-10 years PQE) and Cyber Security Managers all rose by over 10% as demand increased.

Is history repeating itself?

It could be. However, under a set of entirely different circumstances.

2025 figures from Adzuna highlight that entry-level jobs have dropped again, by almost a third since the launch of ChatGPT in 2022. Online jobs platform, Indeed found a similar trend, reporting that roles advertised for recent graduates this year represent a 7-year low.

Chris continues: "Al and automation tools are rewriting many traditional job roles. While innovation signals progress, it shouldn't sacrifice a whole group of professionals. Graduate and entry-level positions are quickly being deemed 'administrative placeholders' instead of crucial to feeding future talent demands."

Jessica Holt, Managing Director for Robert Walters Outsourcing – EMEA, adds: "We are already seeing the damage this outlook is causing. With fewer people progressing up the career ladder, organisations are finding themselves competing for a smaller pool of experienced hires, often at a higher cost and with less flexibility to shape talent internally."

Future careers on the chopping block

For the entry-level professionals at risk, pressures are mounting. With many feeling their current job opportunities have been significantly impacted by AI, over two-fifths (42%) now feel they need to upskill.

Jessica continues: "Roles that once gave early-career professionals an entry point into the professional world are being streamlined or removed altogether, leaving many people at the start of their careers facing a difficult gap. They're expected to bring more advanced skills to the table but are given fewer opportunities to learn those skills on the job.

"Businesses are also losing a key stage in how they build their teams. Without entry-level roles to cultivate subsequent skilled talent pools, the UK risks falling behind in developing sectors, like green energy and advanced technology, which are already facing critical skills shortages."

Chris ends: "The data speaks to the challenges that can arise in future hiring plans when entry level roles are cut too deeply. This isn't just about future costs, but the future health of our labour market. Something which requires careful foresight and planning, not looking to emerging technologies for a single solution.

"For employers, adopting a holistic approach which prioritises long-term workforce development, targeted



upskilling and the application of AI alongside human insights will help ensure they avoid past mistakes while nurturing a talent pool who can meet the demands of the future."