



Market Report

A Snapshot of your Marketing Sector

Recruitment

This pack has been designed to provide information on setting up a business in the **Recruitment** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **April 2026**.

What do I need to know about the Recruitment market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ The Freeths Employment Survey Landscape highlights that **38% of employers ranked adapting to the Employment Rights Bill as a top five HR priority for 2025**, making it the single most significant concern for businesses, followed by employee health and wellbeing (33%), motivation and engagement (29%), and retention (26%). While support initiatives remain widespread, 82% of organisations promote mental health initiatives, 78% flexible working, and 77% access to confidential financial advice. **Business confidence remains fragile, with over half of surveyed organisations expecting UK trading conditions to worsen over the next 12 months, reflecting continued economic uncertainty.** Despite increased awareness of HR technology and AI, adoption remains limited, with employers expressing low confidence in reliability and legal risk management, particularly in recruitment. ([Freeths Employment Survey 2025](#), March 2025)
- ◆ In 2024, the top difficulty when it came to recruitment in the UK was **a lack of people with the right skills**. This was according to HR departments, where it was also made clear that often salary expectations were too high - or they were not high enough to attract candidates. (Statista, *Biggest recruitment difficulties in the UK 2024*, Nov 2025)
- ◆ As of April 2025, **18 percent of UK businesses were aiming to cut their staffing levels, with 30 percent of retail firms intending to reduce their staffing levels**. By contrast, almost half of information and communication companies were looking to increase their staff, with just seven percent planning cuts. (Statista, *Employment intentions of businesses in the UK in 2025*, May 2025)
- ◆ The **CIPD Labour Market Outlook – Winter 2025/26** shows that employer confidence remains weak, with hiring intentions at historically low levels (net employment balance of **+7**) and particularly sharp contraction expected in the public sector (**-11**), while recruitment pressures continue to ease. **Pay growth expectations remain muted at a median of 3%**, and rising employment costs—especially linked to the Employment Rights Act—are a major concern for employers, shaping cautious workforce planning as the UK enters 2026. (CIPD, [Labour Market Outlook – Winter 2025/26](#), Feb 2026)
- ◆ The national organisations for this industry are [The Recruitment and Employment Confederation](#), [Association for Recruitment Consultancies](#) and [Chartered Institute of Professional Development \(CIPD\)](#).

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Where can I find more information on my market?

There are a number of online resources you may find helpful:

- ◆ [Freeths Employment Survey 2025](#) discusses HR priorities, employment rights bill, workplace sexual harassment duty, business confidence, HR technology & AI.
- ◆ [Labour Market Outlook – Winter 2025/26](#). The CIPD's Labour Market Outlook is a forward-looking indicator of the UK labour market. It is a quarterly survey of 2,000 employers, providing analysis on employers' recruitment, redundancy and pay intentions combined with unique insights on labour market topics.
- ◆ Royal Bank of Scotland Business [Regional Growth Tracker report for March 2026](#). The latest Royal Bank of Scotland Growth Tracker Report pointed to job losses across Scotland's private sector. While staff numbers fell businesses were able to keep on top of backlogs in February. Companies are more cautious with recruitment and cutting back slightly on payroll numbers in preparation of the planned changes to National Insurance Contributions.
- ◆ Scottish Government - [Labour Market Trends: December 2025](#). Early seasonally adjusted estimates for November 2025 from HMRC Pay As You Earn Real Time Information indicate that there were 2.45 million payrolled employees in Scotland, a decrease of 0.6% (-15,000) compared with November 2024. This is the same as the decrease in the UK over the same period
- ◆ University of Strathclyde - [Fraser of Allander Institute – Labour market – weekly update](#)

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these websites, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.



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How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) ["Find a Chartered Accountant"](#) tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk ["Licence Finder"](#) tool

Law Society of Scotland's ["Find a Solicitor"](#) tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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