

The Great Recalibration: How economic and technological shifts are reshaping hiring

The job market has been in flux ever since the pandemic five years ago. Considerable economic uncertainty stemming from war in Ukraine, supply chain disruption, inflation and tariffs have ensured an unprecedentedly challenging environment for business planning.

However, two other trends have transformed the jobs market rendering it unrecognisable from pre-pandemic years:



Artificial intelligence.

Ever since the launch of OpenAl's ChatGPT in 2022, Al has turned the job market upside down as organisations assess what tasks and roles can be augmented by, or even replaced by, Al tools and agents. According to McKinsey¹, 75% of existing jobs will require redesign, upskilling, or redeployment by 2030.

Hybrid working.

Emerging out of the pandemic, remote and hybrid working has re-organised talent acquisition by changing how we regard geography, presence and collaboration. Both employers and workers are struggling to align their expectations like never before.

"This recalibration is forcing a change in priorities. Recruiters are measuring success not just by the number of roles filled but by placement quality, retention rates, and client ROI. Firms are also refining operations to manage costs and improve efficiency through automation and analytics" Kelly Stone, G2.6

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From Pilots to Practice: Why 2026 Will Redefine Hiring Forever

As we close out 2025, it is becoming clear that 2026 will be a transformative moment for recruitment as automation takes a central role in the hiring process and organisations move their deployments from experimental pilots to full operationalisation.

According to Josh Bersin⁷, almost 60% of recruiters now use AI for sourcing, screening, or nurturing candidates and Resume.org found that around 57% of businesses are already using AI in their hiring process.

"VONQ's Al Agents make a huge difference. They take over the heavy workload at the start so we can focus on what really matters - matching every candidate with the right employer."

Katrien Van Esser,
Chief Marketing Officer

The same Resume.org study⁸ found that 74% of firms have learned that using AI in recruitment improved the quality of hire. Those figures will only trend up as companies begin to deploy

Agentic AI at scale throughout 2026.

"We've screened around 3,500 candidates - and half were high quality. The hires already made have more than paid back the investment."

Simon Van Hijfte, Marketing

Manager - Candidate Marketing



This is a monumental shift in how we recruit, but not in the way people fear.

It is common for us to be anxious that AI "is coming for our jobs" but it is far more likely that the proliferation of AI agents in hiring - far from making the role of TAs obsolete - will in fact elevate the role of recruiters to new heights.

But there's a caveat: only recruiters who can adapt to this revolution will successfully elevate their role in the process. This report is designed to equip TAs in the trends 2026 will bring for their profession so they can prepare for what that means for them.

Al Agents are taking centre stage, with humans always in control

According to a recent report by the World Economic Forum⁹, 88% of companies now use AI for their initial candidate screening. According to Resume.org¹⁰, 34% of companies that use AI in hiring use it for interviews and 1 in 3 companies believe it is likely AI will run their entire hiring process by 2026. It's a safe prediction that by the end of 2026 the way hiring is done will be almost unrecognisable because of agentic AI.

"VONQ's AI screened 579 applicants within 24 hours - a clear demonstration of how much faster we can move."

Acquisition Germany



The promise of agentic AI lies in its ability to enable hyper-personalized candidate experiences at scale. This intelligent digital co-assistance will work behind the scenes to take on up to 80% of the repetitive tasks that make up the hiring process, freeing up between 20-30% of recruiters' bandwidth. This is especially true in the case of high-volume, low-complexity sectors which include frontline roles such as retail workers, customer service and drivers.

According to Bullhorn's GRID 2025 Industry

Trends Report¹¹, firms deploying full-cycle automation into their recruitment process are more than twice as likely to see revenue growth.

Advantages include:





Effortless high volume hiring: Al automation of screening, scoring, and ranking of candidates saves on average 1.5 hours per candidate



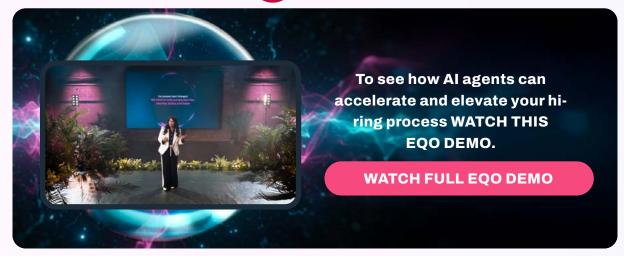
Pay-per-screened-candidate: To avoid wasted ad spend Ai makes it possible to pay on a pre-screened basis for candidates, with AI doing the heavy lifting.



Faster, Data-Driven Hiring: Al shortlists top talent in real-time, providing rich insights to make hiring faster and more accurate.

"For us, it's simple: the Al Agents delivered quality candidates and real cost savings. That's what matters in our industry." Simon Van Hijfte, Marketing Manager - Candidate Marketing





The Reinvention of the Recruiter: From Admin to Strategic Architect

"What are we going to do with the time that we actually save? Can we reinvest that back into greater efforts in diversifying the talent pool. I think we need to be basically more aware of 'the politics of productivity" Hung Lee, Curator, Recruiting Brainfood.

Estimates of the productivity gain for recruiters fall anywhere between 20 and 30%, leaving a profession recently so weighed down by repetitive admin suddenly completely liberated. But there's no shortage of much higher-value missions to assign that free-ed up time to. The role of the recruiter is set to be greatly elevated in 2026.

"As Al and automation take on more of the low-complexity work, recruiters' ability to deliver on high-complexity hiring becomes more critical. Recruiters today must advise on talent strategy and role design to meet hard-to-find, in-demand skill needs while also possessing the skills to build long-term relationships with hard-to-access prospects. Finally, recruiters must be able to assess candidates' fit for the organisation's future needs." Gartner¹².

This future role will be in guiding agentic systems, curating the employer brand and planning a more sophisticated talent acquisition strategy. With the new opportunities available to recruiters also comes great responsibility, and organisations will look to their hiring teams to ensure compliance with international regulation (like the EU AI Act), and to monitor for ethical issues like bias and hallucination.

"Ultimately, the power of Al agents brings a new level of opportunity and responsibility. Companies that put compliance and ethics at the core of their Al hiring practices will lead the way, creating processes that are not just faster and more efficient, but also trusted, secure, and globally responsible." George LaRocque, WorkTech Founder

But this extra bandwidth made available by AI provides the opportunity to take a longer view on talent strategy as well as the flexibility to build longer term relationships with candidates to secure the long term talent future.

"The next challenge is that candidate experience is broken.

Candidates are not receiving responses. They don't have transparency into the process, they don't have a lot of trust in talent acquisition and trust in organizations. This creates problems for branding and creates problems when you think about retention later down the line." Madeline Laurano - Founder of Aptitude Research





The Shift to Skills: Building Fairer, Smarter, More Inclusive Hiring

A modern hiring landscape where AI and big data enable hiring-at-scale means skills - rather than a self-reported career narrative, schooling or university heritage - will define the hiring criteria.

Skills-based hiring has an important role in minimising bias towards certain genders, ethnicities or social status by focusing on a levelled playing field scrutinising only competency (i.e. ability to execute relevant tasks).

In a 2022 LinkedIn Survey¹³, 88% of employers admitted filtering out highly skilled candidates because they lacked degree or titled credentials. Conversely, LinkedIn¹⁴ also found that removing degree requirements opened up a talent pool 19 times larger, inevitably expanding candidate diversity (gender, neuro or ethno).

"Employers have long relied on proxies like education or years of experience in a given role to signal that a candidate was capable of performing a job. Now we are seeing more weight being put on having the right skills," Rand Ghayad, LinkedIn.

The more scientific nature of this search process increases accuracy of hire and by employing greater automation combined with turbo-charged big data to drive decisions on efficiency, productivity and ROI.

This is a far cry from the traditional "gut-feel" historically so typical in recruitment.

This is especially pertinent to industries at the sharper end of the skills shortage. Opening up the talent pool to include those with transferable skills can help ease difficulty-to-hire. These sectors include manufacturing, healthcare, retail and administrative/support services. As immigration levels come under political pressure in many European markets, this can be an elegant solution.

This methodology is already widespread but is only set to increase in prevalence. In 2023 LinkedIn¹⁵ found that as many as 45% of employers are explicitly using "skills data" to fill roles and as many as 75% of recruiters surveyed by LinkedIn¹⁶ reported they expected skills-first hiring would be a priority for their company within the next 18 months.

Most interestingly, skill-based hiring has been shown to increase gender equity by 24% and is proving particularly effective amid the kind of softer job market characteristics currently evident throughout Europe.

From Job Ads to Brand Stories: Why Recruiters Must Now Think Like Marketers

Increasingly job seekers know more about a prospective employer's corporate culture, employee satisfaction and retention, leadership practices and values than ever before, thanks to the growing influence of sites such as LinkedIn and Glassdoor.

Recruiters and talent acquisition professionals need to apply a more strategic, brand-conscious approach to job advertising that ensures a more consistent voice. Consideration must also be given to the promptness of communications, the transparency of the recruitment process and how the employer brand is reflected on social media. (GenAl can be a key tool in executing this).

A strong employer brand is powerful. According to <u>LinkedIn's Global Talent Trends report</u>¹⁷,

companies with strong employer brands can reduce recruitment cost-per-hire by 50% and improve hire quality by 70%. Moreover, a study by Universum¹⁸ found that 84% of job seekers consider an employer's brand before applying, and crucially 75% will not apply to a company with a negative employer brand.

In a soft jobs market, where a skills shortage combines with weak job mobility and stagnated wages, competition for the best talent is fierce. Employer brand is a strategic imperative in such a landscape and recruiters will increasingly be required to take ownership as HR professionals focus on talent retention and development.



Human-in-the-Loop: The New Guardian of Ethical AI in Hiring

As AI plays a much more central role in so many aspects of talent acquisition, the recruiter's role in policing it will become increasingly essential to risk management. As AI assumes more influence over hiring, the risks accompany the advantages. There's risk to employer brand and reputation, recruitment accuracy, workplace harmony and even legal exposure in terms of regulatory compliance and employment law litigation.

"Having humans involved in employment decisions that affect people's lives and careers is essential, no matter what tools employers use. It's how we infuse our broader understanding, experience and care to make wise decisions,"

Helena Almeida, ADP²⁰.

Working with AI is a collaboration like any other and needs to be crafted and managed like any collegiate relationship. The recruiter will be best-placed to oversee and intervene in how AI automation performs and to ensure that it remains compliant. This will require advocacy for AI in terms of explainability - a central pillar in regulatory AI frameworks such as the EU AI Act.

"Companies should be open with candidates about Al's role in hiring to build trust, improve the candidate experience, and meet evolving compliance standards. This means clearly explaining where and how Al is used, whether it makes recommendations or rejections, the level of human oversight, and what data is collected. This proactive approach promotes fairness, prepares candidates, and demonstrates a commitment to ethical, effective hiring practices." Kara Dennison, Resume.org¹⁹

Some of these new responsibilities might include:



Defining the range of outcomes and closely watching for deviation



Internal advocacy with regards to agent efficacy and bias



Owning explainability with candidates to reinforce trust



Reporting internally in terms of ROI and talent acquisition accuracy



Reporting externally in terms of third party regulatory bodies

While potentially and understandably daunting, recruiters should embrace such a strategic role which ultimately could justify higher salaries but will certainly ensure greater organisational influence and therefore more professional satisfaction and fulfilment.



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Key Takeaways



Across Europe, the job market is suffering from a range of challenging factors including skills shortage, low job posting volumes as well as a a declining trend in the job-vacancies-to-unemployment ratio



Al is increasingly omnipresent in hiring: 60% of recruiters now use Al for sourcing, screening, or nurturing candidates and around 57% of businesses are already using Al in their hiring process



Recruiters who can adapt to the AI revolution will elevate their role in the process. This report is designed to equip them to do that



Agentic AI is taking a central role in recruitment with 88% of companies now using AI for at least initial candidate screening, freeing up between 20-30% of recruiters bandwidth



Additional recruiter bandwidth enables a strategically elevated role that includes oversight of agent design and performance, regulatory compliance, stakeholder advocacy and explainability, marketing strategy and employer brand



Recruitment is moving ever increasingly towards skills-based hiring focusing on competency and experience versus qualifications



Employer branding is becoming central to talent attraction and retention in a highly competitive market



Recruiters are taking on a heightened responsibility for AI governance, regulatory compliance and risk mitigation.

Don't Wait for 2026 - Start Your Al Advantage Today with EQO

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