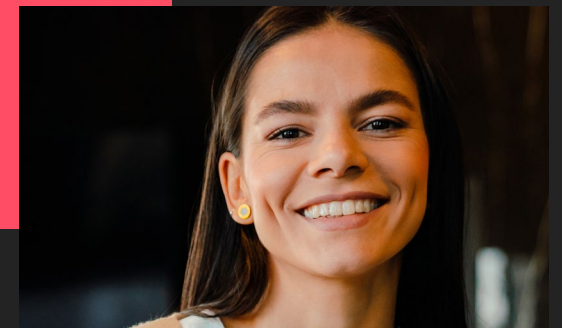


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HR Market Update



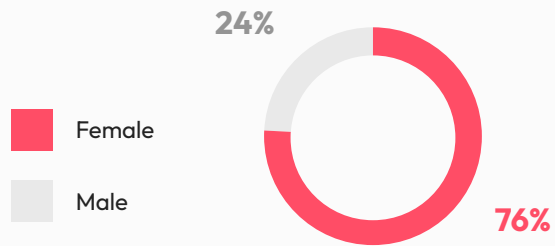
Australia Q1 2026

The HR market remains highly active, candidate-driven, and strongly shaped by shifting expectations around flexibility, remuneration, and culture. With hiring demand at very high levels and mobility continuing to rise, organisations face growing pressure to differentiate their employee experience and strengthen retention strategies.



Workforce & demand

Gender split



Average tenure

1.3 Years



Hiring demand

Very high

Roles most in demand

- 1 HR Manager
- 2 HR Business Partner
- 3 Talent Acquisition

The HR profession continues to be predominantly female, with average tenure currently at 1.3 years. Short tenure combined with very high hiring demand underscores the importance of long-term engagement, development pathways, and proactive retention measures.

HR Managers, HR Business Partners, and Talent Acquisition specialists are the most sought-after professionals, with employers prioritising candidates who bring both operational HR capability and strong relationship-building skills. With the pressure on attraction strategies intensifying, high-performing Talent Acquisition professionals remain in particularly strong demand.



Remuneration & retention

80%

of employers are planning pay rises

72%

of employees are expecting a pay rise

51%

of employees say they do not get paid what they're worth

72%

of employees say their salary does not match the cost of living

Remuneration remains a key pressure point across the HR market, with a clear disconnect emerging between employer intent and employee expectations. While organisations are planning salary increases, many professionals still feel underpaid and unconvinced that their earnings are keeping pace with the cost of living.

At an organisational level, cost pressures are adding further strain, with employers anticipating greater challenges around retention. This is reinforcing the need for more structured and transparent approaches to remuneration.

At the same time, hiring activity remains high and many HR professionals are open to moving roles - intensifying competition for talent. In this environment, a compelling employee value proposition is critical, with employers needing to look beyond salary alone to attract and retain the right people.



Mobility & market confidence



92%
of employers are planning on hiring this year



52%
of employees are planning to move roles this year



76%
of employees are confident about job opportunities

Confidence in the HR job market remains strong, with many professionals feeling positive about current opportunities and a significant proportion planning to explore new roles this year. This points to sustained mobility and ongoing competition for talent.

With hiring intentions remaining high, candidate movement is expected to accelerate. For employers, this puts greater emphasis on clearly defined career pathways, internal mobility, and long-term development opportunities to retain high-performing HR professionals.

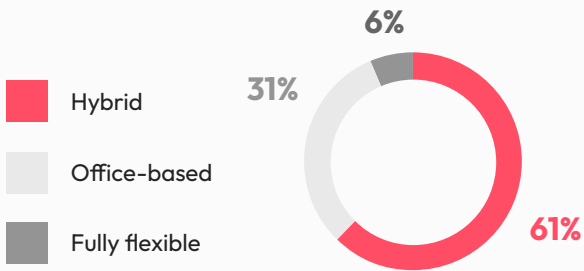


Flexibility & referred working styles

Employees working preferences



Employer working preferences



Flexibility remains one of the strongest attraction levers in the HR market, with professionals continuing to prioritise hybrid working, flexible hours, and remote options where possible.

However, alignment between employer and employee expectations is still inconsistent. While hybrid models are widely adopted, a notable proportion of organisations continue to favour more traditional, office-based approaches.

This disconnect is creating friction in the hiring process. In a competitive market, flexibility and work-life balance are no longer differentiators. They are core expectations, and often decisive factors when candidates compare opportunities.

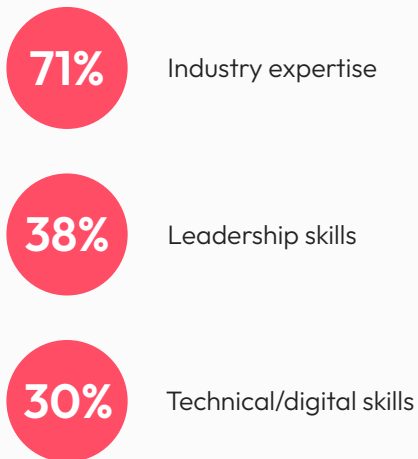


Skills gaps & hiring barriers

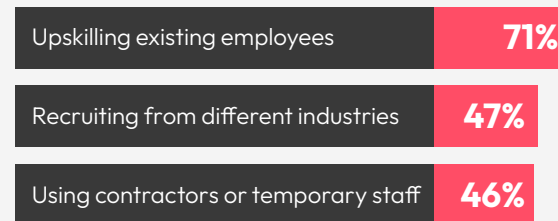


86%
of employers say their organisation is facing skills shortages

Where the main gaps are



How employers are addressing skills shortages



Skills shortages continue to be a major challenge across the HR market, particularly in areas such as industry-specific experience, leadership capability, and technical expertise.

These gaps are most evident in mid-to-senior roles that require a blend of strategic thinking and strong stakeholder management, making these positions increasingly difficult to fill.

In response, employers are broadening their approach - focusing on upskilling existing teams, hiring from adjacent industries, and leveraging contract or temporary talent. This shift reflects a more flexible and pragmatic approach to hiring in a market where critical skills remain in short supply.



AI & upskilling



70%
of employees have upskilled
in AI



81%
of employers encourage the
use of AI



43%
offer no structured upskilling
in AI

AI is continuing to reshape HR roles, particularly across talent sourcing, workforce analytics, and employee engagement. While there is still some uncertainty around its impact, most professionals see it as an opportunity rather than a threat.

Adoption is already well underway, with many HR professionals proactively building their AI capability. Employers are also encouraging the use of these tools to drive efficiency and support more informed decision-making.

However, a lack of structured upskilling remains a key gap. Bridging this disconnect will be critical, with organisations that invest in AI literacy and digital capability better positioned to stay competitive in an evolving talent landscape.



Looking ahead through 2026

Talent shortages, high hiring demand, and cost-of-living pressures will continue to shape the HR market this year. With many professionals open to new opportunities, attracting and retaining top HR talent will remain a priority.

Organisations best positioned for success will:

- **Prioritise flexibility and work-life balance**
- **Ensure remuneration is competitive and transparent**
- **Strengthen EVP with culture, wellbeing, career pathways, and recognition**
- **Retain teams through development, coaching, and internal mobility**
- **Invest in digital capability and AI upskilling**
- **Maintain efficient, candidate-focused recruitment**

As HR evolves into a more strategic, data-driven function, leadership, stakeholder influence, communication, and emotional intelligence remain as critical as technical skills.

Our team can support your workforce planning, remuneration benchmarking, and HR recruitment strategy to help you navigate the evolving market and secure the talent your organisation needs.



Recruitment specialisations



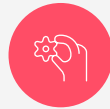
Accounting & Finance



Sales & Marketing



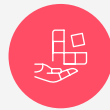
Banking & Financial
Services



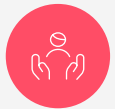
Procurement, Supply
Chain & Logistics



Government



Technology



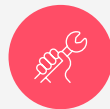
Human Resources



Transformation



Legal



Resources & Engineering



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Africa | Australia | Belgium | Canada | Chile | Mainland China | France | Germany | Hong Kong | India | Indonesia | Ireland | Italy | Japan | Malaysia | Mexico | Netherlands | New Zealand | Philippines | Portugal | Singapore | South Korea | Spain | Switzerland | Taiwan | Thailand | United Arab Emirates | United Kingdom | United States | Vietnam.