

2025 Tech Recruitment In Review



Introduction: A Wild Year for Tech Talent

2025 was a **rollercoaster for IT recruitment**. The year saw tech giants swinging from mass layoffs to frantic hiring in niche areas, all while **artificial intelligence (AI)** took center stage. Some feared AI would obliterate coding jobs, yet reality had other plans – *demand for tech talent reached new heights even as headlines screamed of cutbacks*. In the UK and beyond, companies grappled with **hundreds of thousands of unfilled IT positions**. At the same time, CEOs and CTOs watched unlikely storylines unfold: Elon Musk **merged X (Twitter)** into his AI startup, cloud titans pledged **billions for AI infrastructure**, and remote work evolved from pandemic experiment to permanent strategy. This report untangles 2025's biggest trends in tech hiring – with a dash of wit – to arm tech leaders and recruitment professionals with a clear picture of where we've been and where we're heading.

Hiring Trends: From Office Comebacks to AI Gold Rush

After the chaos of recent years, **tech hiring in 2025 settled into a new rhythm** – albeit one with its own surprises. One notable reversal was the **return-to-office push**. Many companies dialed back the fully-remote craze, insisting that innovation and mentorship thrive face-to-face. Tech behemoths like Amazon and Dell set the tone by mandating more in-office days. As a result, only about **10% of tech job postings offered fully remote work in 2025**, a steep drop from previous years. Junior developers discovered that demanding 100% remote might narrow their options, as employers touted the benefits of on-site collaboration and on-the-job learning. (Cue the collective sigh from digital nomads.)

On the compensation front, **salaries largely hit a plateau. After the dizzying pay hikes of 2020-2022, companies grew cautious.** A few **late-2024 layoff rounds** and economic jitters cooled the market, and 2025 saw far fewer eye-watering offers for all but the most specialized roles. In-demand experts (think cloud architects or AI researchers) still commanded premiums, but your average software engineer could no longer name their price quite so easily. Recruiters describe a more balanced negotiating field: candidates tempered their expectations, while employers moderated budgets to more sustainable levels.

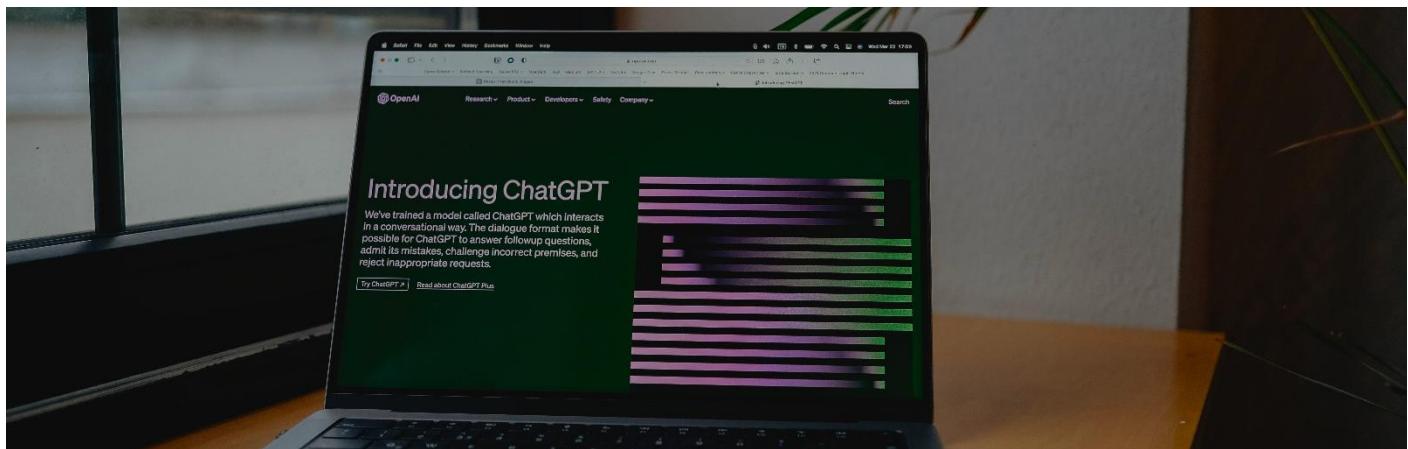


Photo by Hatice Baran on Pexels

If there was one area that defied all moderation, it was **Artificial Intelligence**. The AI boom of 2025 generated more buzz (and jobs) than any trend in recent memory. Companies in every sector – from finance to healthcare – raced to hire AI talent and **build smarter products or automate processes**. Listings for **Machine Learning Engineers, Data Scientists, AI prompt engineers** and more flooded job boards. Even roles not explicitly labeled “AI” came with a twist: a project manager might be coordinating an AI-driven initiative, while a software developer is now expected to weave in AI APIs or leverage AI-assisted coding tools (hello, GitHub Copilot). In short, **AI fluency became a core skill** across the board.

This AI gold rush had ironic timing. Even as some pundits proclaimed “AI will replace developers,” employers were desperate to hire developers with AI skills. The supposed glut of tech workers never materialized – quite the opposite. **Three in four companies worldwide reported difficulty finding skilled talent**, with IT roles being the hardest to fill. In the UK, digital leaders openly admitted that talent shortfalls **were slowing their progress in cyber security, AI, and robotics initiatives. It turns out AI hasn't eliminated jobs; it's created new ones** faster than we can train people. As one industry observer noted, 2025 felt like a “Tech Talent Paradox” – plenty of engineers were laid off, yet simultaneously **a 76% talent shortage in IT** persisted.

Another hiring hotspot was cybersecurity. A string of headline-grabbing cyber attacks in 2025 – from ransomware crippling infrastructure to massive data breaches – made companies double down on security teams. **Demand for cybersecurity professionals hit record levels**, and these roles often commanded premium salaries. Organizations big and small expanded infosec headcounts, seeking not just classic Security Analysts and Network Engineers but also niche experts like **DevSecOps engineers, Cloud Security Architects, and Threat Hunters**. One mid-sized firm joked that last year they had “one IT security guy,” and now they’re trying to hire an entire team. The talent shortage in cyber roles is so acute that many employers dropped strict requirements – welcoming candidates from non-traditional backgrounds (military intelligence veterans, self-taught hackers, etc.) who can prove their skills. In short, if you could spell “**zero-day exploit**” in 2025, you probably fielded a few recruiter calls.

Meanwhile, a quieter trend took shape in the **IT services sector**: the rise of managed service providers (**MSPs**). As businesses sought to control costs and handle complex tech needs (cloud! remote work! security!), many outsourced IT functions to specialist firms. This drove rapid growth for MSP companies – an estimated **12–15% expansion in the sector**, making it one of the UK’s most active tech arenas. MSPs themselves went on hiring sprees, scooping up talent across helpdesk support, cloud management, and more. For tech professionals, this opened new career paths: working at an MSP promises variety and accelerated learning (albeit with the occasional 3 A.M. client crisis). Given the momentum in 2025, **the managed services boom** looks set to continue, offering fertile ground for both entry-level and seasoned IT workers.

12-15%

Annual MSP
growth in the
UK

HIGH DEMAND

Across support,
cloud, and
security roles.

Corporate Plot Twists: Layoffs and Mega-Mergers

No 2025 wrap-up would be complete without the drama that unfolded in big tech boardrooms. The year kept us all gripping our popcorn, as seemingly contradictory news hit the wires: **mass layoffs on one hand, massive investments and mergers on the other**. It was a tale of two realities.

First, the layoffs. Though less catastrophic than the bloodbath of 2023, **tech companies continued trimming fat** in 2025 – often under the guise of “efficiency” or pivoting to AI-focused strategies. By October, **over 120,000 tech employees had been laid off worldwide**. Giants like **Intel, Amazon, Microsoft, HP, Salesforce, Meta, and HP Enterprise** all announced sizable cuts. (Yes, even the famously “we’re a family” Salesforce swung the axe.)

Paradoxically, this total was *lower* than in 2022 or 2023 – perhaps a sign that the worst of the correction passed – but it was cold comfort to the **141,000+ tech workers** who lost jobs in the US alone through October. The top five sectors for job losses read like a what’s-what of economic stress: **government (especially U.S. federal cuts), tech, warehousing/logistics, retail, and services**. In the U.S., an almost comic subplot emerged: an initiative ironically named the Department of Government Efficiency (acronym **“DOGE”** – you can’t make this up) led to massive federal layoffs under a certain tech-CEO-turned-government-official. The “DOGE Impact” alone accounted for over **300,000 public-sector job cuts** by fall.

141,000+
Tech jobs lost
(U5 only, 2025)

300,000+
Public-sector layoffs
(DOGE impact)

So while private tech firms shed loads of staff to streamline, the public sector one-upped them thanks to Musk’s cost-cutting zeal in Washington. **Lesson learned:** no one’s job felt truly safe in 2025 unless you had *very* in-demand skills (or perhaps a contract Musk couldn’t break).

Amid this downsizing, **big deals and mergers reshaped the tech landscape** – often with direct implications for talent needs. One blockbuster was **Hewlett Packard Enterprise's acquisition of Juniper Networks**, finalized in mid-2025. This \$3+ billion networking mega-merger (a year and a half in the making) created “*two monsters in network infrastructure*,” as HPE and Juniper combined forces to take on their mutual rival, Cisco. The deal undoubtedly caused heartburn for some Cisco sales teams, but it also signaled opportunity: **HPE-Juniper vowed to build “the best networking business on the planet”** and will need armies of engineers to do so. Networking specialists suddenly found one fewer employer to choose from, but the new behemoth’s hiring needs may compensate in the long run.



Photo by Thirdman on Pexels

Another **headline-grabber was Google's shopping spree**. In March, Google Cloud made waves by **acquiring cloud security startup Wiz for a stunning \$32 billion**. Wiz, a young company from Israel, had been one of cybersecurity's hottest rising stars. Google's purchase – one of its largest acquisitions ever – underscores how critical cloud security talent and tech have become. As Google's CEO noted, the goal was to integrate Wiz's tools to better protect organizations “*end-to-end, across all major clouds*”. For Google, it's a play to attract enterprise customers who demand top-notch security. For recruiters, it meant that **any engineer with cloud security chops or Wiz platform experience instantly became hot property** (either to join Google or help competitors respond).

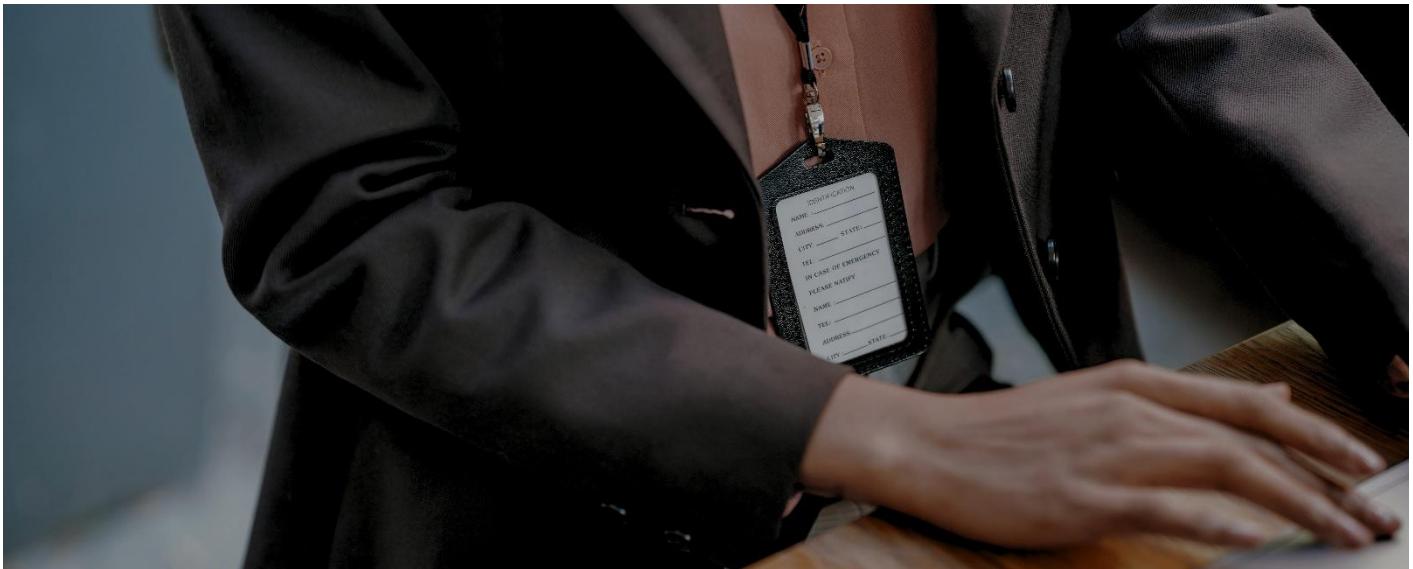


Photo by Ono Kosuki on Pexels

IBM also kept things interesting. Big Blue doubled down on hybrid cloud and AI services through a series of acquisitions. Notably, **IBM closed a \$6.4 billion deal to buy HashiCorp**, the cloud infrastructure automation pioneer. This added HashiCorp's popular tools (Terraform, Vault, etc.) to IBM's arsenal – and sent a clear message that IBM is willing to invest heavily to stay relevant in cloud DevOps. In the same breath, IBM signaled plans to scoop up **DataStax**, known for its Apache Cassandra database solutions, aiming to bolster IBM's AI-friendly data offerings. By enhancing its Watson AI platform with DataStax's tech, IBM hopes to "simplify and scale generative AI for the enterprise". Translation: IBM wants talent who understand AI and databases. Good news if you're a data engineer or consultant – IBM just opened new avenues (and likely budgets) for those roles.

“xAI and X’s futures are intertwined... combining data, models, computer, distribution, and talent.”

— Elon Musk

Of course, the **Elon Musk Extended Universe** delivered perhaps the juiciest plot twist. In March 2025, Musk’s AI startup **xAI acquired X (the platform formerly known as Twitter)** in an all-stock deal valuing X at \$33 billion. This move effectively merged Musk’s social media and AI ambitions into one entity. The stated plan? To combine X’s vast real-time data firehose with xAI’s models and supercomputing might – presumably to supercharge Musk’s chatbot “Grok” and whatever other AI dreams he harbors. Musk proclaimed “*xAI and X’s futures are intertwined... combining data, models, compute, distribution and talent*”. Indeed, the combination gives xAI not just data but also thousands of engineers and specialists from X’s ranks (those who survived Musk’s earlier Twitter purge, that is). It’s a bold bet that **vertical integration of a social platform and an AI lab** will yield cutting-edge results. For observers, it was yet another reminder that Musk plays by his own rules – and that even by 2025’s standards, this was *not* a typical acquisition. (One can only imagine the all-hands meeting: “*Surprise, you now work for an AI company – please adjust your LinkedIn titles accordingly.*”)

While these were the marquee deals, consolidation was a broader theme. Tech M&A activity picked up steam after a 2023 lull, with everything from telcos to chipmakers joining the fray. Oracle inked a **\$30 billion partnership with a UAE data center firm** to cement its cloud presence in the Middle East. Telecom giants Charter and Cox struck a **\$34.5 billion asset purchase** in broadband. Even seemingly niche areas saw action – e.g., **Salesforce acquired a small generative AI startup (Doti AI)** to augment its CRM offerings. The takeaway for recruitment: **mergers can mean duplicate roles and short-term layoffs, but they also often mean new investment and hiring in strategic areas.** As one analyst put it, uncertainty is the new constant in tech M&A. Companies will consolidate to navigate economic ups and downs, AI upheavals, and the ever-rising cost of talent and capital.

In summary, 2025’s corporate saga was one of rebalancing. Companies cut, consolidated, and then spent again, making adaptability the most valuable skill of the year.

UK Tech Scene: Unicorns, Startups, and Skill Gaps

Zooming in on the **UK**, the tech talent story had its own flavor. The good news: despite global headwinds, **UK tech investment saw a healthy rebound in 2025**. Venture capital started flowing again after a muted 2024. In fact, UK startups raised **\$9 billion in Q3 2025 alone – the highest quarter since 2022**. By the end of Q3, total funding for the year hit **\$17.3B**, already matching the entire 2024 total and putting 2025 on track to reach around **\$23B** (which would be the third-biggest year on record for UK tech). For a year that began with recession murmurs, that's a strong finish. Investors seemed to rekindle their appetite for innovation, especially in AI, fintech, and deep tech. *Imagine a bar chart here with 2021 as a peak (thanks, low interest rates), a dip in 2022–24, and an uptick in 2025 – that's the funding landscape in a nutshell.*

However, the pace of new unicorn creation in the UK **slowed** compared to the go-go days of the late 2010s. Only a **single new unicorn emerged in the UK by mid-2025** – the film-streaming platform **Mubi**, which hit a £1B valuation early in the year. (Who knew art-house films could mint a unicorn?) This low count speaks to more rational valuations and tougher criteria for that vaunted status. But by the end of 2025 a couple more British startups did join the club. One notable example is **SheMed**, a London-based women's health tech company, which raised a modest \$50M Series A that nonetheless valued it at **\$1B**. In a historically underfunded domain like women's healthcare, **SheMed's unicorn milestone was a big signal** – proof that investors see serious opportunity in female-focused health solutions.

Another headline-grabber (though not UK-exclusive) was **Reflection.AI**, an open-source AI lab started by ex-DeepMind researchers. Reflection.AI landed a jaw-dropping **\$2B Series B led by Nvidia**, rocketing to an \$8B valuation in just a year. Their mission – “democratize access to superintelligent models” as a counterweight to the closed AI giants – obviously struck a chord (and opened some very big checkbooks). For the UK's AI research community, Reflection's rise was a point of pride, even if the company positions itself globally. It also meant intense competition for AI PhDs and researchers: with that war chest, Reflection.AI has been hoovering up talent to build out its team.

UK & UK-Linked Unicorn Highlights (2025)

MUBI
£1B valuation
Film & streaming

SheMed
\$50M Series A → \$1B
valuation
Women's Health Tech

Reflection.AI
\$2B Series B → \$8B
valuation
*Open-source AI (ex-
DeepMind)*

Beyond the unicorn sparkle, **which industries were hiring the most tech talent in the UK?** Broadly, **finance and fintech remained huge employers** – London's banks and startups alike have been on an AI spending spree, snapping up engineers to automate trading, personalize banking apps, and fortify cybersecurity. **The healthcare and biotech sector** also quietly ramped up hiring of data scientists and developers, as the pandemic aftershocks left an urgency to digitize health services and invest in medtech. **E-commerce and retail tech** saw mixed fortunes; some big online retailers trimmed staff after over-expanding in prior years, yet others hired cloud and AI specialists to optimize supply chains (the warehouse robots aren't programming themselves... yet). The **gaming and creative industries** provided bright spots – with the rise of AR/VR and the metaverse hype cooling, gaming companies refocused on core R&D and picked up engineers, and even some laid-off Metaverse developers found new homes building games or creative AI tools.

On the flip side, **industries “in trouble” (from a tech hiring perspective) mirrored some of the global trends**. Traditional social media firms (outside of Musk’s X) froze hiring or downsized as user growth stagnated and regulatory pressures rose. **Legacy telecoms** also struggled, with some reducing headcount amid fierce competition and 5G rollout costs. And while **cryptocurrency/blockchain** firms didn’t crash as spectacularly as in 2022, the chill of “crypto winter” never fully thawed – many blockchain startups kept low profiles and lean teams in 2025, waiting for the next upswing. Overall, the UK job market for techies remained a **two-speed market**: certain sectors/star-ups were in a war for talent, while others offered more pink slips than offer letters.

War for Talent

AI · Fintech ·
Cybersecurity

Hiring Freezes & Layoffs

Social Media · Telecom · Crypto

A recurring theme in Britain was **the skills gap and unfilled roles**. Despite all the layoffs we discussed, **talent scarcity remained the tech sector’s bane**. By some estimates, the UK entered 2025 **with hundreds of thousands of technology positions unfilled**. From AI engineers to plain-old software developers, demand outstripped supply.

About 43% of STEM vacancies are hard to fill in the UK

It is due to a lack of qualified applicants. This isn’t just a London problem either – cities from Manchester to Glasgow echo the complaint that local tech ecosystems need more skilled people than are available.

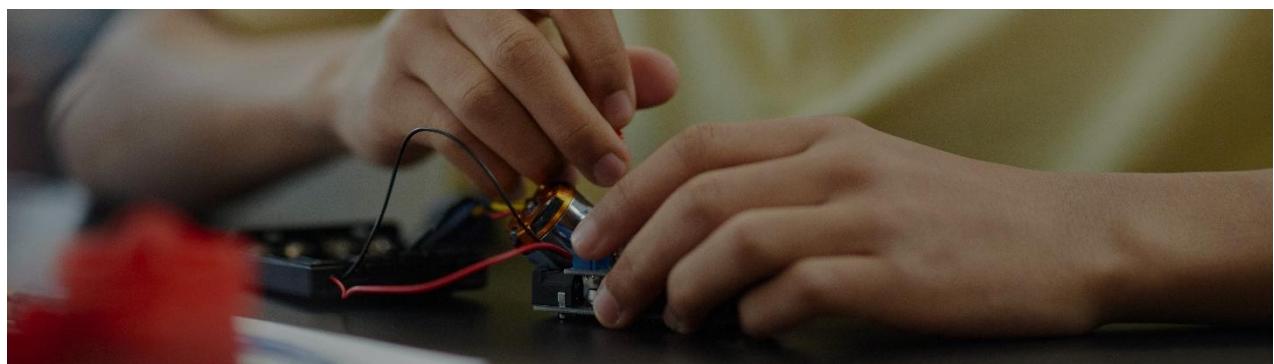


Photo by Vanessa Loring on Pexels

The implications are big: projects delayed, growth initiatives stalled, and innovation targets missed because teams can't hire fast enough. Nearly **70% of UK digital leaders said talent shortages slowed their progress on digital initiatives** – essentially, the tech talent gap became a growth-rate governor. The UK government and industry groups sounded alarms that *if we don't fix the pipeline*, it could jeopardize ambitions in areas like net-zero tech, AI leadership, and defense modernization. Efforts are underway (coding bootcamps, digital apprenticeships, skilled worker visas, etc.), but those are longer-term plays.

In the near term, how did companies cope? Increasingly by casting a wider net – which brings us to the next section.

The UK Tech Talent Gap

43%
of UK STEM vacancies are hard to fill

70%
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The New Normal: Remote and Offshore – Talent Without Borders

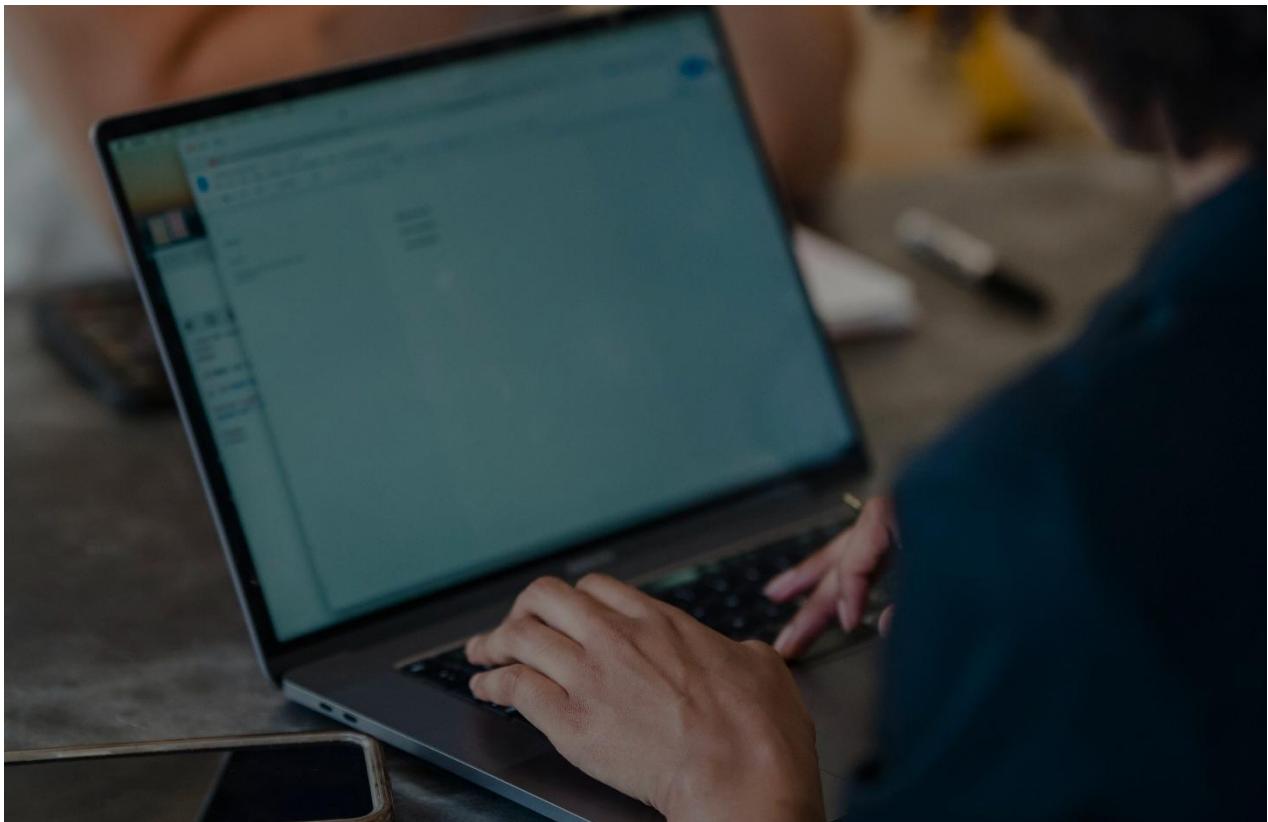


Photo by Mizuno Kozuki on Pexels

If 2025 taught tech leaders anything, it's that **great talent might be one Zoom call away, regardless of location**. After years of experimenting, **remote work from overseas matured into a mainstream strategy** for tackling talent gaps and cost pressures. Nowhere was this more evident than in companies turning to **Asian tech talent hubs**.

Hiring developers in Vietnam or Indonesia isn't a novelty anymore; it's often a key part of a recruitment strategy.



Photo on Pinterest

Consider **Vietnam**: long known quietly as an outsourcing destination, in 2025 it truly hit the big leagues. The country's IT industry has boomed thanks to savvy government investments and education focus. Each year, **Vietnam produces around 100,000 new IT graduates and engineers**, many skilled in everything from mobile app development to AI and cybersecurity. That's a massive, growing talent pool. And yes – **employing developers in Vietnam costs about 30-40% less than in traditional hubs like India or China, without compromising quality**. It's the classic win-win: highly skilled people, lower burn rate. No wonder Vietnam's tech outsourcing revenue is projected around \$700M in 2025 and climbing fast. Major firms (Samsung, Intel, etc.) have R&D centers there, and countless UK and US companies now have *distributed teams* with a significant portion of developers based in Hanoi, Ho Chi Minh City, or Da Nang. There's a phrase often heard in boardrooms this year, one could say **Vietnam became**:

“The rising tech powerhouse of Southeast Asia.”

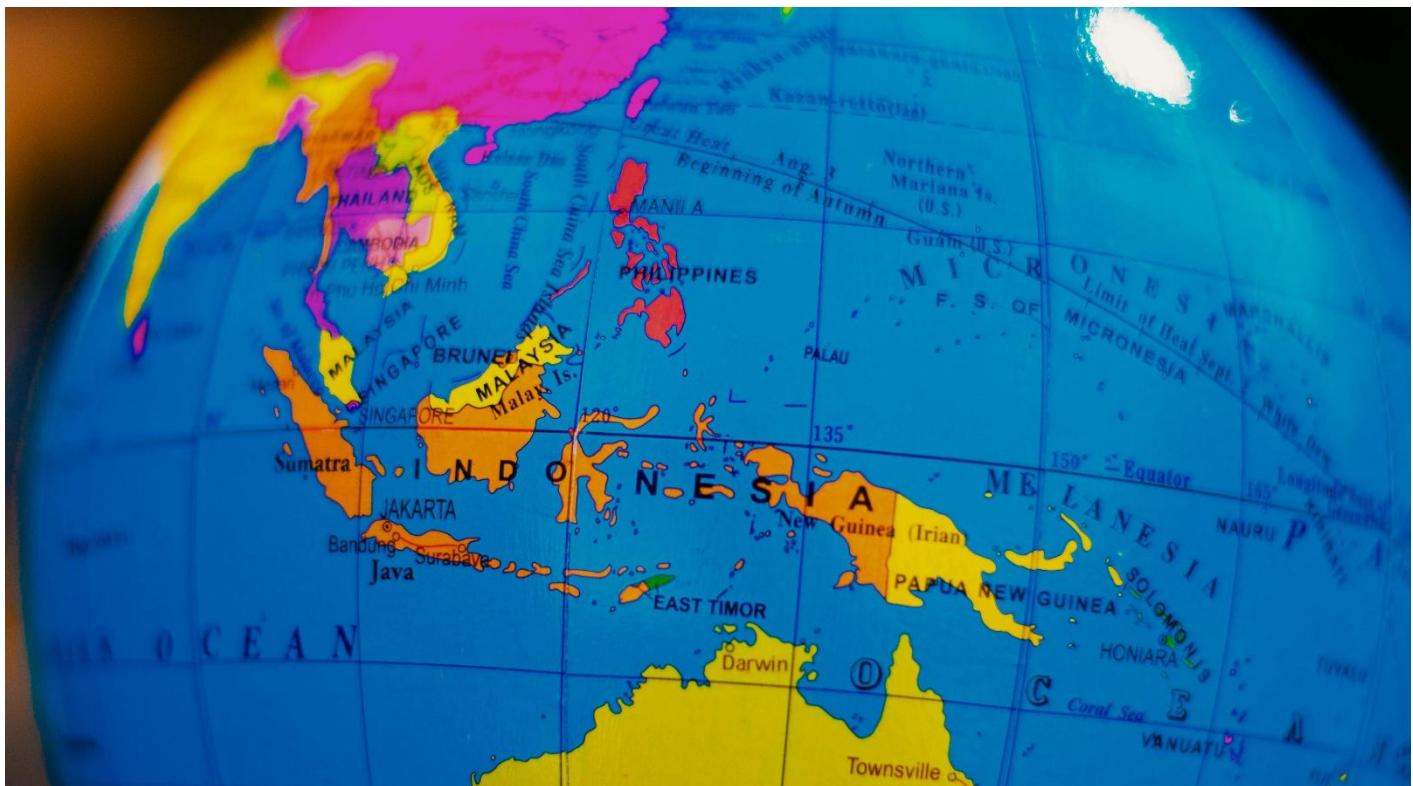


Photo by Nothing Ahead on Pexels

Then there's **Indonesia**, another star on the ascent. With a **massive, youthful population (median age just over 30)**, Indonesia offers a **"digital force of nature" labor force** rapidly accumulating tech skills. The country's digital economy is on track to exceed \$130B by 2025, one of the fastest growth rates globally. For foreign companies, Indonesia's appeal isn't just its scale; it's also economics. **Labor costs are highly competitive**, often lower than other Asian locales like the Philippines. Government initiatives are aggressively improving infrastructure and tech education, meaning connectivity and skill levels have leapt forward. All these positions Indonesia as **"Asia's next outsourcing hub"**, poised to supply talent for everything from app development to data analytics. In 2025, more firms in the UK/EU discovered Indonesian developers (and designers, QA testers, etc.) and were pleasantly surprised by the results. As one outsourcing report put it,

"Indonesia's strategic value in the outsourcing sector is growing by the day."

Vietnam and Indonesia may be the talk of the town for our company (not-so-subtle plug: we specialize in IT resources from those locales), but they're part of a larger mosaic of **global talent hotspots**. 2025 also saw rising interest in places like **Poland**, often dubbed Europe's hidden tech gem, thanks to its elite coders and strong fintech and cybersecurity scene. **Colombia** emerged as a Latin American tech hub, leveraging time zone alignment with the U.S. and a bilingual workforce – it produces 120k+ STEM grads a year, many fluent in English. Even **Kenya** made waves in Africa, with massive digital infrastructure projects and a young, tech-savvy population eager to join the global IT marketplace. In short, *talent is everywhere*, and forward-looking companies in 2025 truly started hiring **everywhere**. A UK survey on AI roles found **43% of businesses are open to global hiring to fill AI skill gaps**, tapping candidates in North America, Europe, and beyond. Remote work technology and pandemic-forged habits have essentially **shattered geographic barriers**, allowing previously overlooked regions to shine.

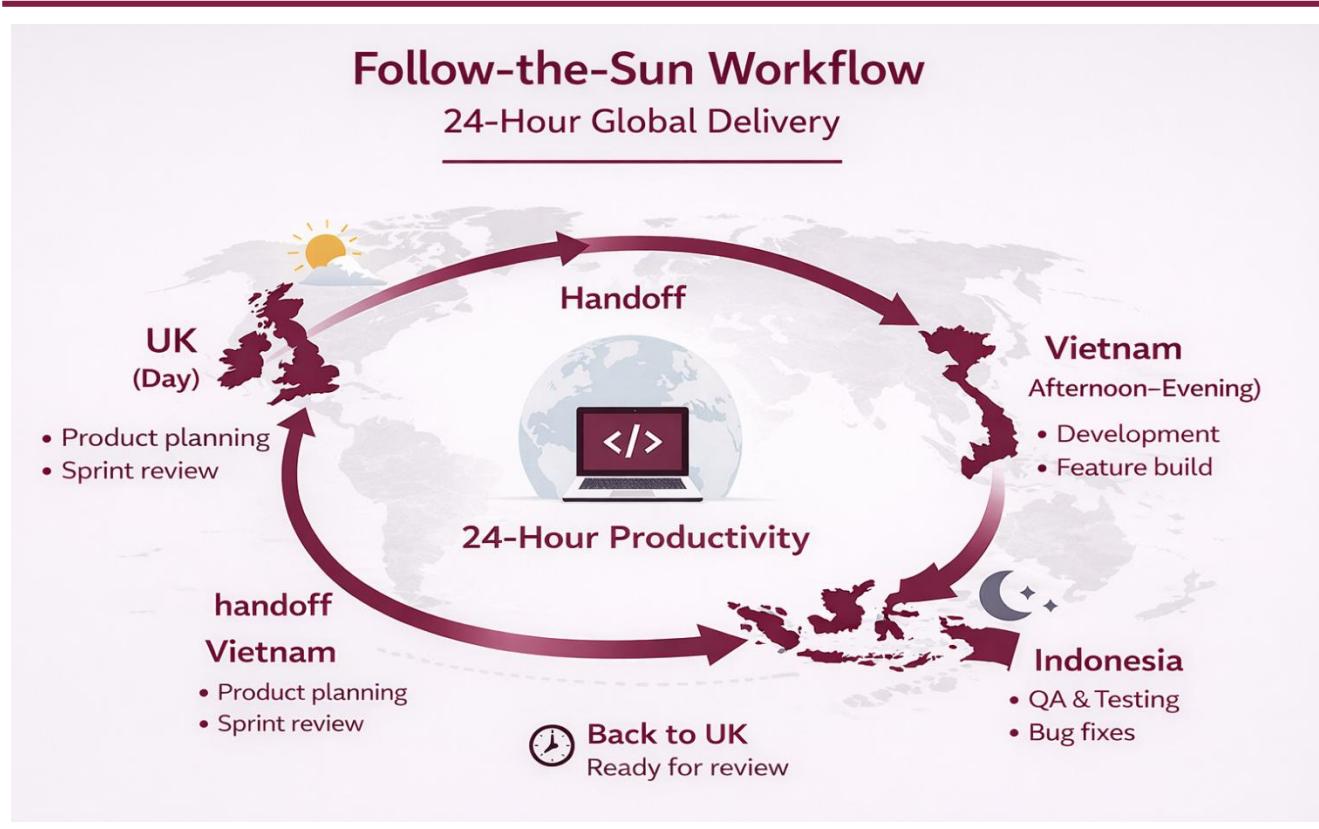


The benefits of this globalization of hiring were evident. Companies could **save 20–40% on costs** by offshoring certain roles, extend their working hours coverage through 24-hour development cycles across multiple time zones, and—most importantly—**access talent they simply couldn't find at home**. The UK's talent crunch, for example, found some relief through these overseas pipelines. If a London startup struggled to hire an AI specialist locally, it could now engage talent in Toronto, Bangalore, or Ho Chi Minh City within weeks rather than waiting months. As one UK tech CEO put it, “If the mountain won’t come to us, we hire the talent abroad and collaborate remotely.”

**“If the mountain won’t come to us,
we hire the talent abroad and
collaborate remotely.”**

— UK Tech CEO

Of course, managing global teams is not without challenges. 2025 was also a year of learning how to integrate distributed teams effectively. Companies invested more in remote collaboration tools, asynchronous communication norms, and cross-cultural training. Data security and compliance had to be tightened – UK firms dealing with GDPR had to ensure data wasn't mishandled across borders. Some experimented with “follow-the-sun” schedules, handing off tasks between time zones. The consensus, though, is that **remote and offshore work is here to stay**. By now, hiring managers care less about where someone is coding from, so long as they deliver quality and can log into the sprint planning meeting (regardless of it being 9 AM or 9 PM their local time).



And let's not forget **hybrid models**. Many companies settled into a groove where core leadership might be on-site in the UK or US, while a **remote extension team** cranks out features overseas. This became particularly popular in software development and QA. The stigma that used to accompany “offshore outsourcing” a decade ago has faded; it's no longer seen as just a cost-cutting move but as a *strategic talent acquisition tactic*. The narrative shifted to: “*We're building a global team to leverage the best talent worldwide.*” It certainly sounds more visionary than “we outsource to cheap programmers,” and in 2025 it also happened to be true.

Conclusion: Embracing a Borderless Tech Workforce



Photo by Ahmed on Pexels

As the dust settles on 2025, one theme rings loud and clear: **IT recruitment is now a global, dynamic, and yes – occasionally chaotic – arena.** For CTOs and hiring managers, the playbook has expanded. You're hiring not only in London or Leeds, but **in Lagos, Łódź, Lahore, and beyond.** You're vetting candidates for their AI savvy and security mindset, even if the role is "just" full-stack developer. You're balancing the books in a world where one team just got a budget cut while another got a blank check from the board because "we need an AI team yesterday."

2025 showed that **technology evolves in leaps, but people and organizations adapt in steps.** We saw companies yo-yo between extremes – layoffs versus talent hoarding, remote vs. in-office debates – before finding a new equilibrium. That equilibrium, if anything, means blending the best of each world: combining local and remote teams, leveraging AI tools and human creativity, maintaining work-life balance and in-person mentorship.

For the UK, solving the tech talent puzzle will remain a pressing mission. The *skills shortage* isn't vanishing overnight; indeed, with tech sector growth it may pinch harder. But the ingenuity displayed by firms in 2025 – from reskilling laid-off workers into new roles, to forging international partnerships for talent – gives reason for optimism. Even government got (reluctantly) involved, with conversations around adjusting immigration policies to welcome more high-skilled tech workers, and boosting STEM education funding to grow domestic talent.

If we were to make a **bold prediction** (with a wink): by the end of this decade, the term “offshore resources” might disappear – because it will all just be *resources*. Hiring **the best person for the job, wherever they are**, will be standard operating procedure. The concept of a “tech team” will increasingly mean a diverse group spread across continents, coding in tandem thanks to a constellation of cloud tools and plenty of caffeine at odd hours.



In the meantime, the savvy CEO or recruiter reading this should take away a few 2025 lessons: **stay agile with your hiring strategy, invest in your existing people (they're harder to replace than you think), and don't be afraid to look beyond your backyard for talent**. The companies that thrived this year were those who embraced change – be it adopting AI early, doubling down on cybersecurity, or tapping into global talent pools – rather than resisting it.

Finally, let's address the elephant in the room: **AI itself in recruitment**. 2025 saw an explosion of AI tools in HR – algorithms to screen CVs, chatbots to engage candidates, even AI “co-pilots” for writing job descriptions. These promise efficiency, but the human touch remains irreplaceable in judging cultural fit and leadership potential. So while we integrate AI into hiring, we must remember not to dehumanize the process. After all, *recruitment is about people*. And the story of 2025 is ultimately about people – brilliant, flawed, creative humans – navigating a whirlwind year in technology.

As we wrap up this whirlwind tour of 2025 in tech recruitment, one could sum it up as: **the year we accepted the new normal**. Remote work from Asia is normal. AI as a co-worker (or at least a very demanding project) is normal. Re-orgs and M&As are normal. And the persistent need for great talent is definitely normal. The companies that can deftly balance these realities – perhaps with a bit of humor and resilience along the way – will be the ones writing the success stories when we revisit this topic in a year's time.