



FREETHS

Employment Survey 2025

*Thank you to everyone who
participated in our 2025
Employment Survey.*



Your input has been invaluable in shaping our understanding of the current HR landscape.

Our survey focused on five key areas:

- **HR Priorities for 2025**
- **Employment Rights Bill**
- **Workplace sexual harassment**
- **HR technologies and AI**
- **Business Confidence**



The insights gathered from these areas have been instrumental in designing our training programme for this year. We hope these findings also provide the HR community with valuable information about the trends and priorities of businesses in 2025.



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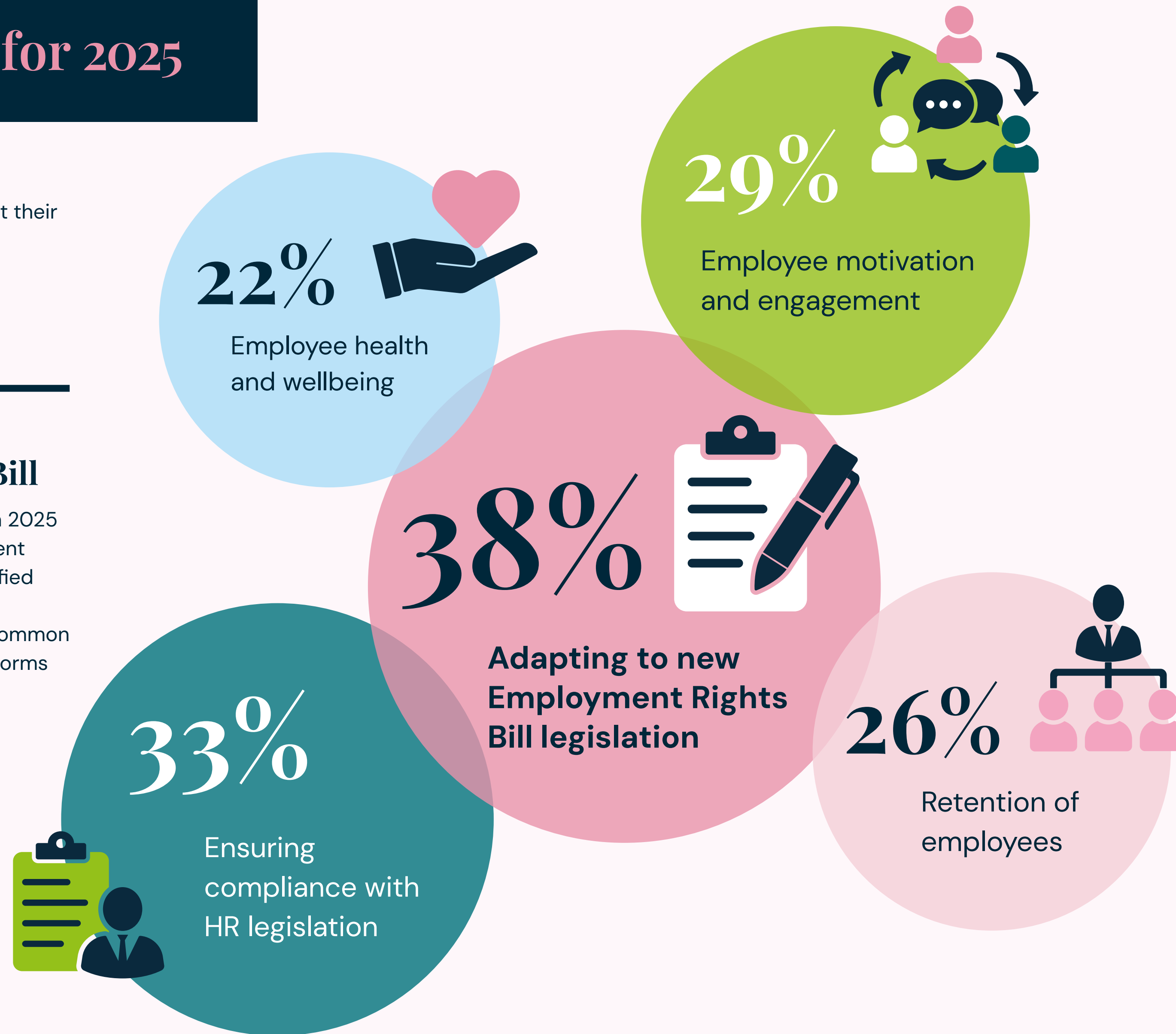
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HR Priorities for 2025

We asked for organisations to list their Top 5 HR priorities for 2025.

Adapting to the New Employment Rights Bill

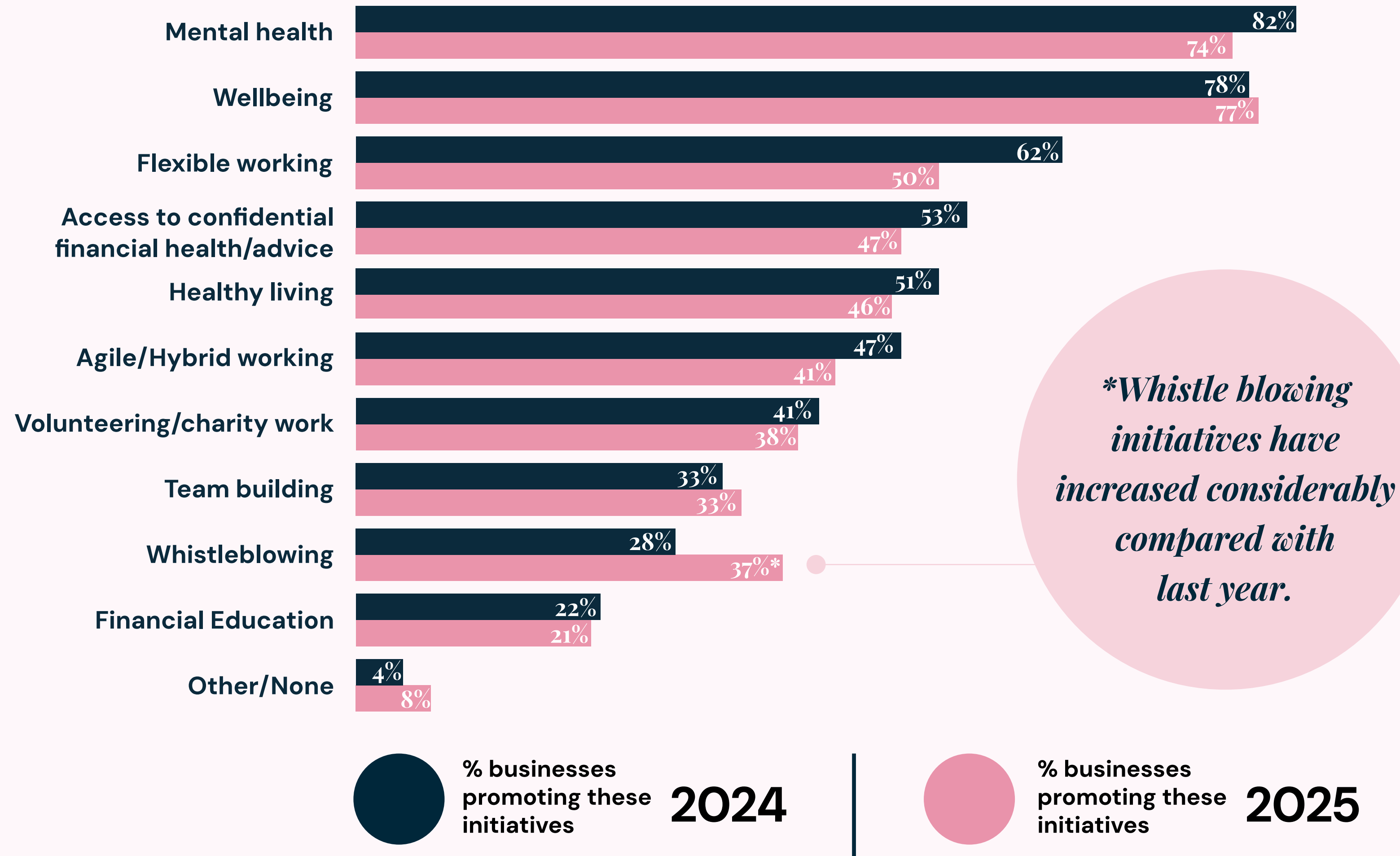
The top priority for businesses in 2025 is adapting to the new Employment Rights Bill. Employers have identified their top five priorities, with the Employment Rights Bill being a common focus due to its wide-ranging reforms



Diversity and Inclusion Takes a Backseat

Surprisingly, Diversity and Inclusion has dropped significantly in priority compared to our 2024 survey. Last year, 27% of respondents ranked it in their top five priorities, but this year, only 5% did. This shift raises questions: Have employers already addressed it? Is it seen as non-essential in tight times? Or is there an ideological shift away from it?

HR Priorities for 2025



The apparent cooling of interest in Diversity and Inclusion and flexible working initiatives is the standout issue. It is possible that businesses do not consider it as much of a priority because they already have it covered, but if so, this might be unduly complacent. There are no indications from the statistics elsewhere about Employment Tribunal claims and incidences of discrimination in the workplace which would suggest that “Diversity and Inclusion” has been solved.

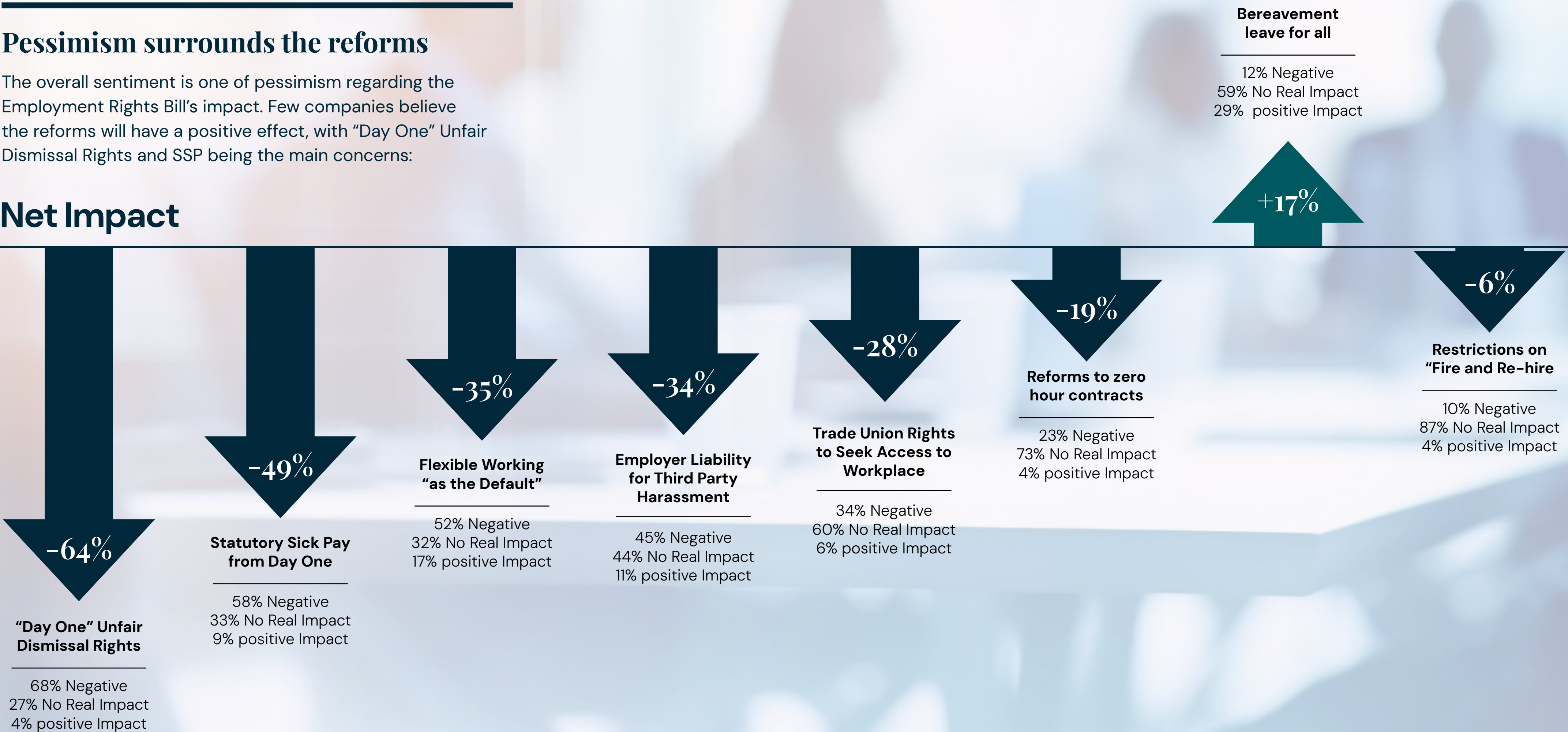


Employment Rights Bill 2025

Pessimism surrounds the reforms

The overall sentiment is one of pessimism regarding the Employment Rights Bill's impact. Few companies believe the reforms will have a positive effect, with "Day One" Unfair Dismissal Rights and SSP being the main concerns:

Net Impact



Employment Rights Bill 2025

Primary Concerns

28%
Ensuring Compliance

26%
Financial Cost of Employee Benefit

*% businesses reporting concerns

Compliance and Cost Concerns

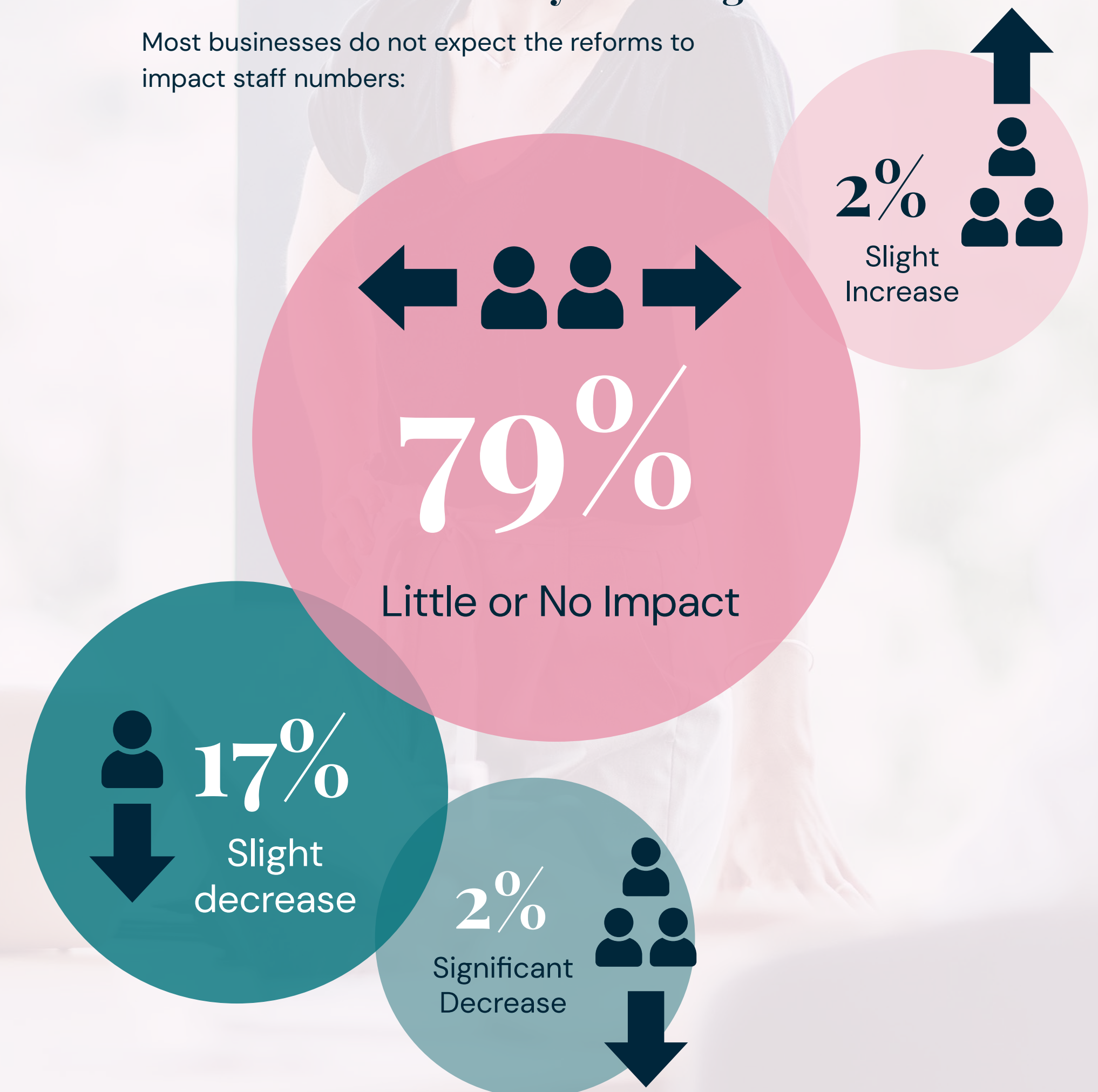
Businesses are primarily worried about compliance and costs associated with the Act. Smaller businesses (fewer than 100 employees) report being more concerned about ensuring compliance, while larger employers (more than 500 employees) are more worried about increased Tribunal claims:

Secondary Concerns

Increased tribunal claims **18%**
Changes to existing staff working practices **10%**
Staff Training **8%**
Higher prices for customers **6%**
Other **3%**
Changing HR Systems **2%**

Staff Numbers Unlikely to Change

Most businesses do not expect the reforms to impact staff numbers:



Employment Rights Bill 2025

Day One Unfair Dismissal Rights and recruitment

The introduction of Day One Unfair Dismissal Rights is expected to impact recruitment processes.

Organisational impacts of day one unfair dismissal rights



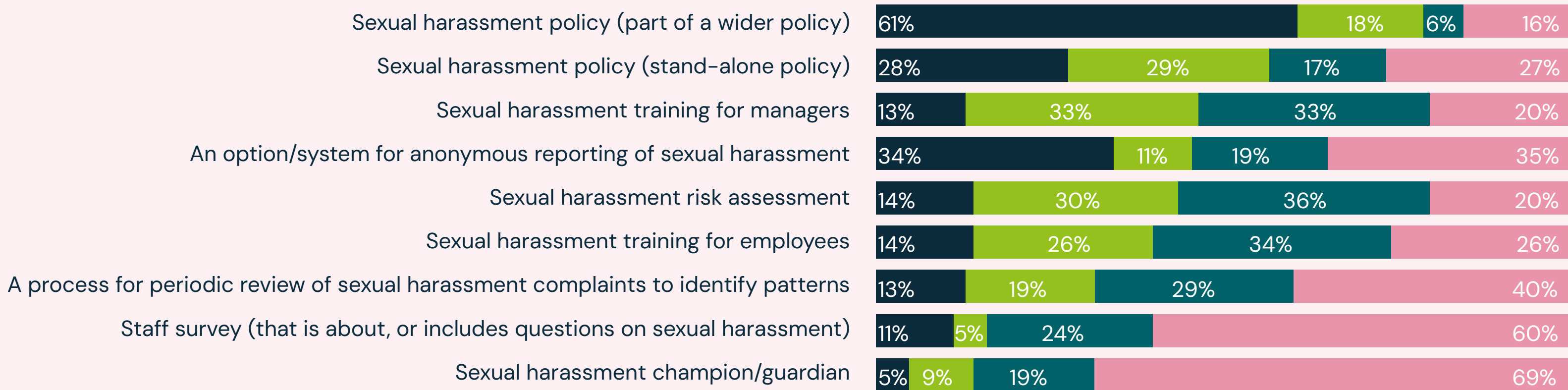
The Government is considering an “Initial Employment Period” during which this right will not have full effect. 45% of organisations expressed a preference for a 6 month Initial Employment Period

Appropriate probationary period for “day one” unfair dismissal rights



Sexual harassment in the workplace

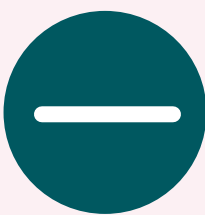
With the introduction of the obligation for UK employers to take reasonable steps to prevent sexual harassment in the workplace, 60% of businesses have yet to implement training, though a third have it in development.



In place before
2024



Implemented in
2024



Not in place
but in
development



Not in place
and not in
development

The survey suggests considerable movement towards addressing sexual harassment in the workplace, but there is still plenty of room for progress. Sensible steps towards preventing sexual harassment are “not in place and not in development” for many businesses.



Technology and AI

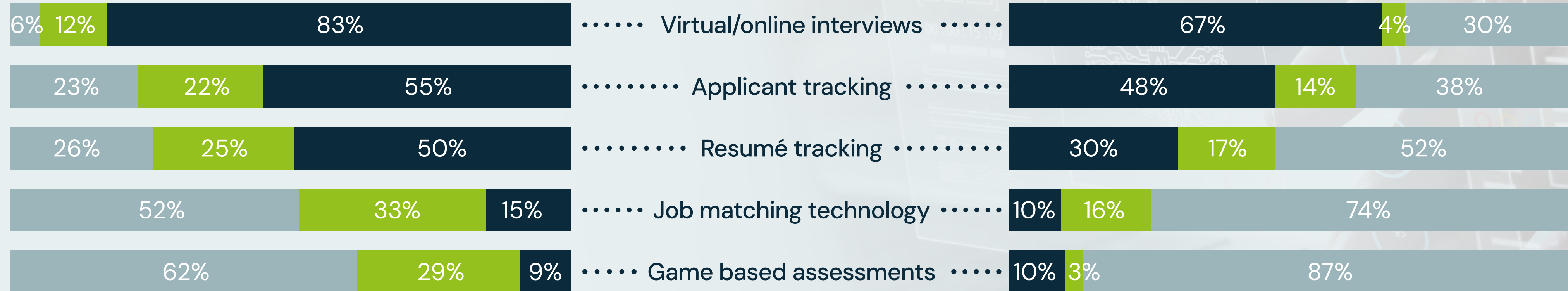
AI in HR: A Mixed Picture

Despite the rapid pace of technological advancement, **interest in AI for HR seems to have waned.**



2024

2025



Already implementing or implemented



Plan to implement



No plan to implement

Technology and AI

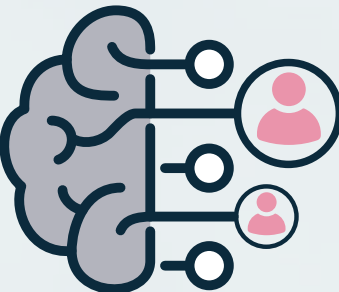
Trust and Knowledge

While knowledge levels about AI tools have increased, trust has declined.

Legal Risks

Only 46% of respondents said they had a good understanding of the legal risks associated with using AI in HR. It's crucial for businesses to understand the legal risks of using AI, particularly regarding discrimination and data protection. Equality and Data Impact Assessments are essential when considering the implementation of AI in the workplace.

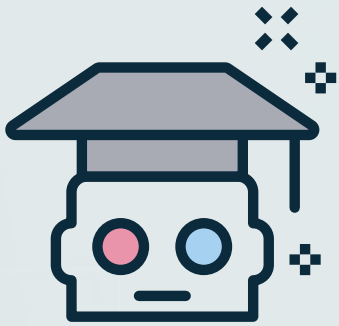
AI still has some way to go to convince businesses of its usefulness and trustworthiness, particularly in recruitment



I would trust AI to recruit the best candidates



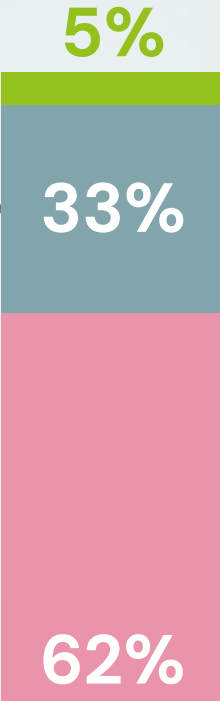
I would trust AI to support the HR needs of employees



I would trust AI to support the learning and development of employees

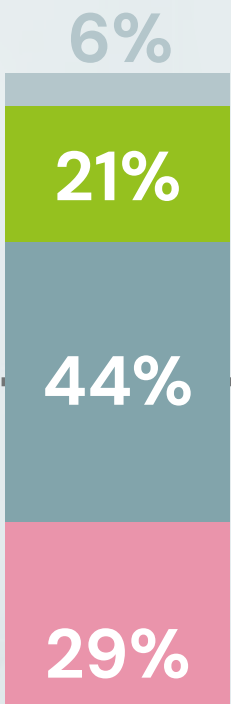


2024

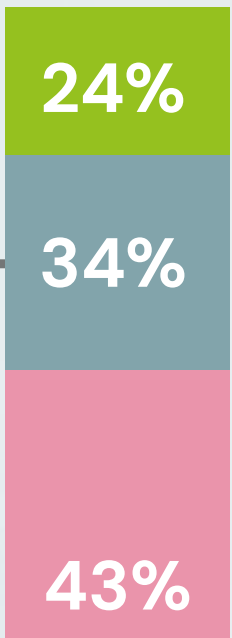


2025

Trust has declined since last year

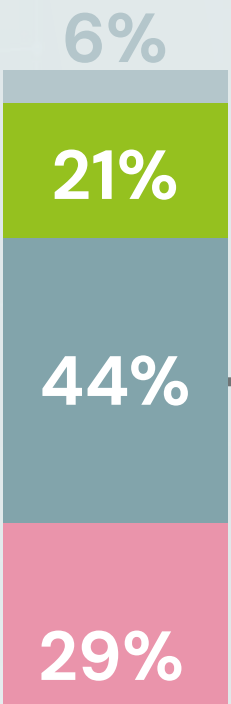


2024

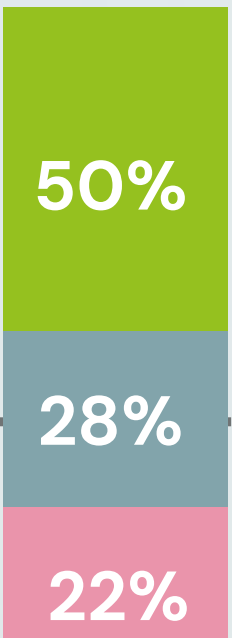


2025

Trust has declined since last year



2024



2025

The only area where trust has improved



Disagree



Neither

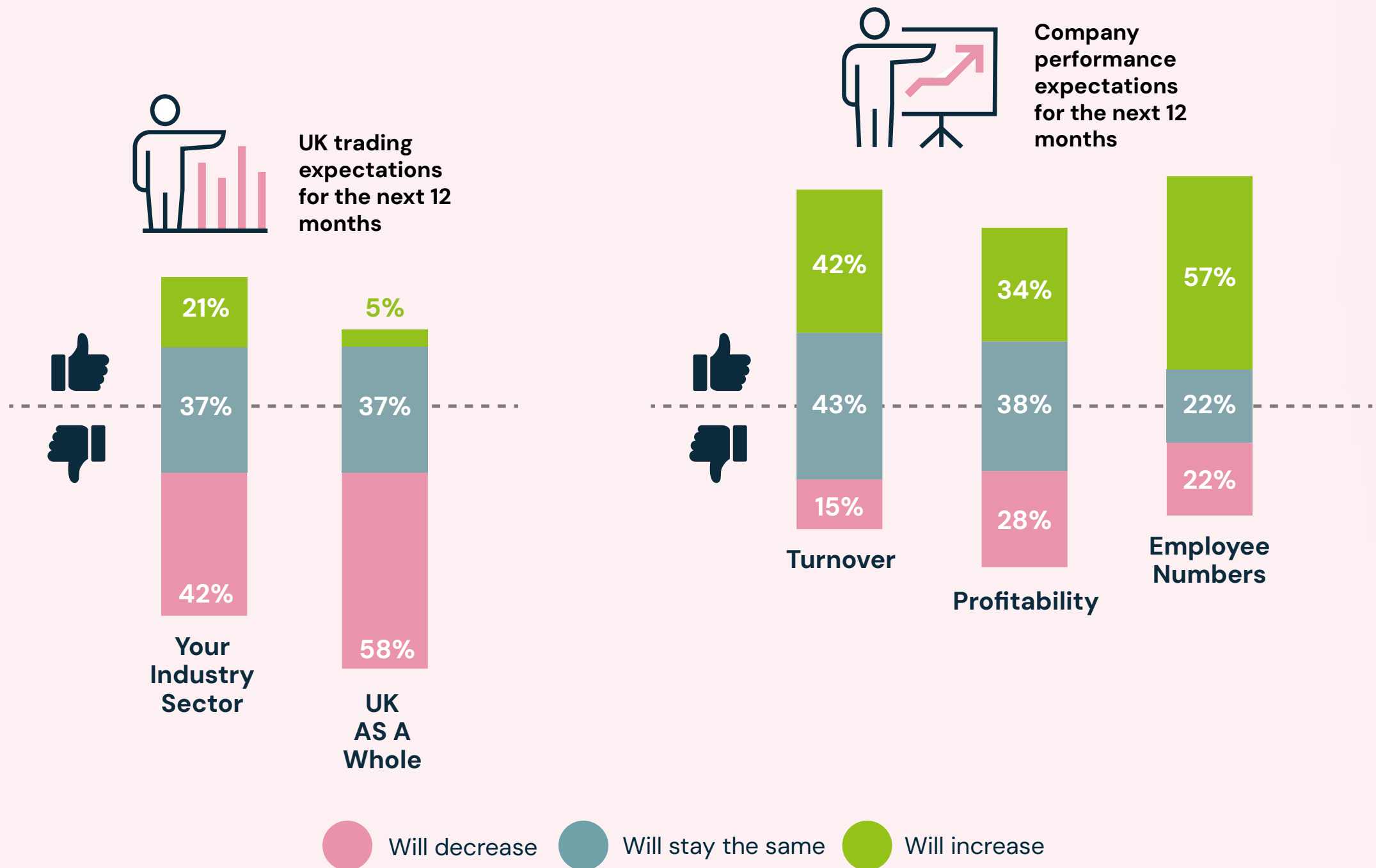


Agree



Don't know

Business Confidence

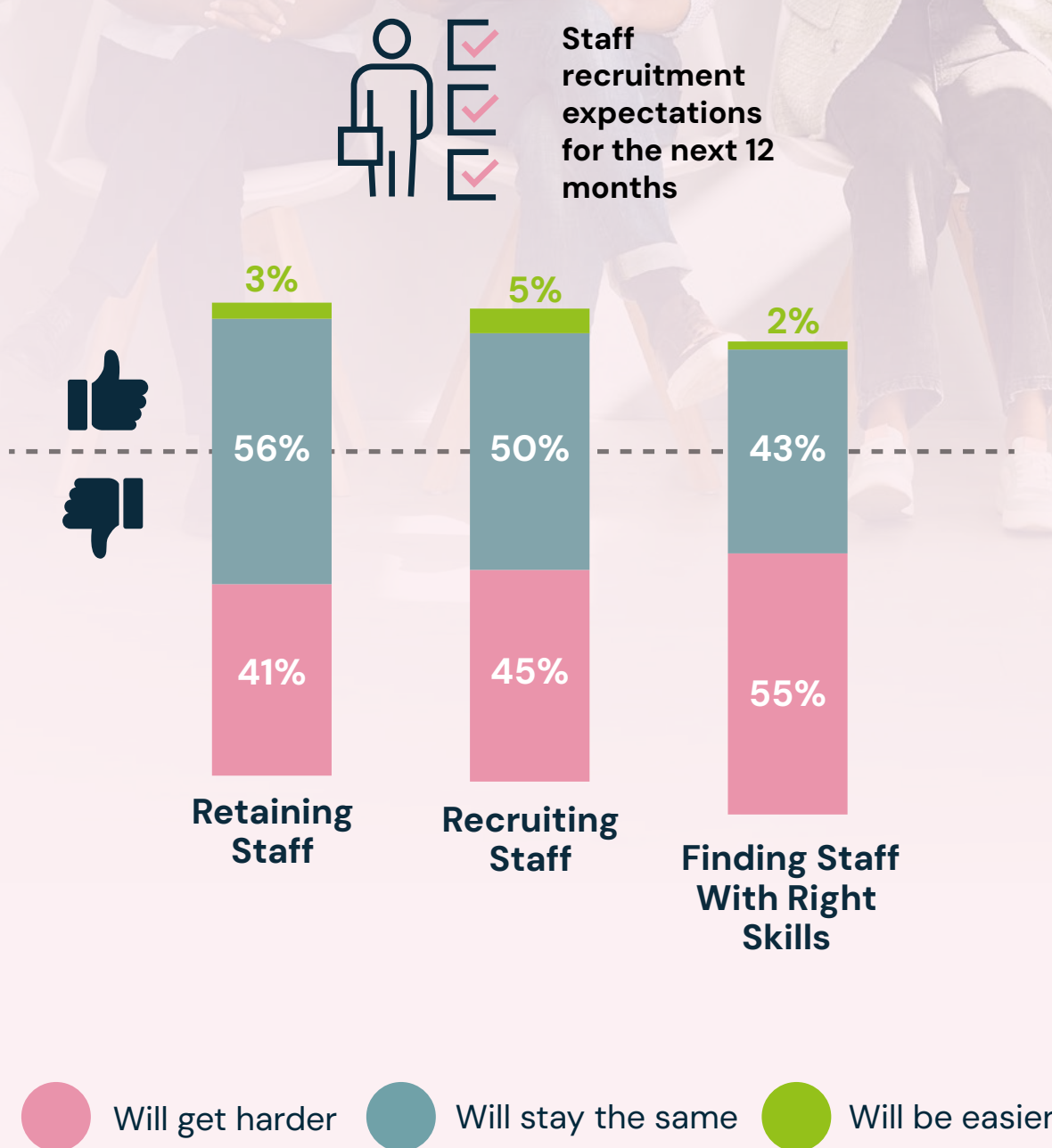


A pessimistic view of the UK prospects

More than 50% of respondents considered that UK trading would become worse for the next 12 months

Positive Outlook for Own Companies

Despite the pessimistic view of UK prospects, HR managers are more positive about their own companies' outlook



Skills Gap Remains a Concern

The skills gap remains a significant concern for HR professionals, with few expecting recruitment and retention to get easier



Awards and accreditations



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