UK Executive Hiring and Economic Outlook: Q3 2026

8 minute read

Amid tumultuous geopolitical issues, fluctuating energy prices, inflations worries and AI disruption causing a human workforce crisis, the UK is facing more upheaval and uncertainty with its seventh Prime Minister in a decade. What does it all mean for executives seeking transition, progression or just trying to stay ahead of the ever-changing landscape?

This quarter's Rialto UK Executive Outlook examines what the economic trends and data really means - and how senior leadership can best respond and prepare.

ECONOMIC SNAPSHOT

GDP grew 0.6% in Q1 2026, the strongest quarter since early 2025, with services up 0.8% and construction returning to growth. Exports grew 3.5% and investment rose 6% in Q1. Trade deals with India and the US are taking shape.

Full-year growth is now forecast at 1%, revised down from 1.4% in 2025. The Bank of England has held rates at 3.75% for seven months. Inflation hit 2.8% in June and is expected to reach 3.25% in Q4, driven by energy volatility in the Middle East.

Andy Burnham's arrival as Prime Minister has added a layer of political uncertainty, particularly for executives in water, energy, transport, housing and infrastructure, where his stated preference for stronger public control and devolved commissioning will reshape the regulatory environment. The detail is still emerging; boards in those sectors cannot afford to wait for it.

THE HIRING MARKET

The UK executive market is defined by a widening gap between what organisations are eliminating and what they are urgently seeking. Redundancies are rising and visible vacancies sit at a five-year low. Yet Q3 hiring intentions are the strongest in two years.

Payrolled employees fell 119,000 in the year to May 2026. HMRC filings point to 327,000 redundancies across 2026, up 8.5% on last year. The KPMG and REC UK Report on Jobs has recorded almost three years of sustained decline in permanent placements.

Against that backdrop, the UK's Net Employment Outlook for Q3 is 37 (ManpowerGroup), up 18 points year-on-year and fourth in the world. Mid-market organisations (250 to 999 employees) lead at NEO 43. The North West leads geographically at 48%, with London at 32%.

The explanation: organisations are eliminating roles where AI is demonstrating credible substitution while urgently seeking executives who can lead the transformation creating those eliminations. Structural change is sharpest at the top.

The hidden market: 70 to 80% of senior appointments at VP level and above are made without a public vacancy. That proportion is rising. Interim placements rose 29% year-on-year globally in 2025. For executives open to interim leadership, the supply-demand balance is currently more favourable than permanent hiring data suggests. Rialto is helping executives understand and access it.

WHERE HIRING IS CONCENTRATED

Executive demand in Q3 is strongest in defence and regulated technology, cybersecurity, fintech, healthcare technology and green energy. Fastest-growing titles: Chief AI Officer, Chief Information Security Officer, Chief Transformation Officer.

By sector hiring intention (ManpowerGroup Q3 NEO):

- Technology and Information (NEO 46): AI product leadership, data governance, cybersecurity, regulatory navigation.
- Construction and Infrastructure (NEO 43): complex procurement, multi-stakeholder delivery, sustainability compliance.
- Manufacturing (NEO 40): operational rigour plus digital transformation; agentic automation exposure.
- Financial Services (NEO 36): M&A, compliance, transformation; fintech and sustainable finance active.
- Health and Social Services (NEO 29): clinical-digital bridging; NHS transformation; AI diagnostics.

AI CAPABILITY REQUIREMENTS

AI competence has moved from differentiator to baseline expectation faster than most executives planned for. Half of senior leaders identify AI as their primary development gap. IBM's 2026 CEO study found organisations that redesigned core functions around AI leadership capability were four times more likely to deliver on their AI objectives.

The CIPD reports one in six UK employers expects AI to reduce headcount in the next twelve months. Executives whose value proposition rests on managing processes that AI is automating are at measurable risk regardless of seniority.

What boards are now testing for:

- Governance: knowing which decisions to keep human and which to automate.
- Strategic fluency: understanding agentic systems well enough to set direction.
- Risk literacy: identifying failure modes before they become board-level incidents.
- Transformation track record: not just awareness, but delivered change.

Executives who can demonstrate these capabilities are in short supply and increasingly well rewarded. Those who cannot are exposed, regardless of tenure.

WHAT DIFFERENTIATES SUCCESSFUL EXECUTIVE CANDIDATES

Functional expertise is the entry ticket. What closes senior appointments in this market:

Tested resilience. Boards want specific examples of navigating structural disruption, not composure under ordinary pressure. They want to know how you have led through difficulty and what you changed as a result.

A transformation narrative that travels. The ability to communicate complex change credibly across board, investor, employee and regulator audiences. Search partners consistently cite this as the differentiating factor in shortlist decisions.

Commercial judgement beyond one function. Executives who can read the full profit and loss, speak to capital allocation and demonstrate board-level perspective regardless of functional origin consistently outperform those who cannot.

AI literacy that is specific and current. Generic claims about embracing AI are dismissed. Boards want to know which tools you have used, what decisions they changed and what guardrails you put in place.

Sector versatility. In a market where growth is concentrated in a small number of sectors, executives who can credibly cross from legacy to growth with a clear articulation of what transfers are moving faster and achieving better terms.

SALARY AND COMPENSATION TRENDS

Salary ranges for senior executive appointments have widened in 2026, reflecting the premium on rare capability combinations.

- The premium for demonstrated AI transformation experience at C-suite level is significant and growing. AI-literate candidates are consistently achieving better terms than peers with equivalent functional experience.
- Interim daily rates have risen ahead of permanent salary benchmarks, reflecting the imbalance between available supply and board-level demand.
- NED fees on FTSE 350 boards typically run from £40,000 to £70,000 per year. Audit and Risk committee chairs command a premium above that range.
- Total compensation in growth sectors (defence, cybersecurity, healthtech) is outpacing traditional financial services benchmarks for the first time, particularly at C-suite and direct report level.
- Long-term incentive plans are being restructured to weight AI and transformation milestones more heavily, reflecting board-level pressure to demonstrate returns on AI investment.

TIME-TO-HIRE TRENDS

The market is moving faster for differentiated candidates and slower for everyone else.

- Search timelines for candidates with demonstrable AI and transformation capability have compressed. Offers are moving faster when candidates can evidence these capabilities from the first conversation.
- Interim placements are completing faster than permanent searches by a significant margin. For executives who need re-engagement quickly, interim is currently the path of least resistance.
- Time in transition is lengthening for executives who lead with functional titles rather than outcomes. Boards are not searching for a CFO; they are searching for someone who can close the acquisition and build the finance function to operate it.
- The 70 to 80% of roles filled through the hidden market typically move to offer in a shorter timeframe than those that go to open advertisement, because the candidate has been known to the hiring organisation or its search partner before the need crystallised.

EXECUTIVE SEARCH FIRM BEHAVIOUR

The search market is making fewer, more targeted approaches. Retained firms are briefing boards on candidate AI capability before presenting shortlists; your profile will be assessed before any approach is made.

- The initial conversation with a search partner increasingly functions as a capability assessment. Firms are asking for specific AI and transformation examples in the first exchange. Have them ready.
- Search partners who do not know your current work cannot position you accurately. The executive who appears in firm networks before roles are being filled has a structural advantage over one who appears only when actively searching.
- Relationships with two or three well-connected search partners are worth more than broad visibility across many firms. Focus your relationship investment accordingly.
- Boards are extending their brief to include interim and portfolio candidates alongside permanent, reflecting the tighter supply of permanent-ready executives with the right capability profile.

NED, ADVISORY AND INTERIM ROUTES

The non-executive director market is gaining traction. Boards are actively seeking independent directors who can provide genuine challenge on AI, technology risk and transformation, areas where executive teams are often too close to see clearly.

For executives in transition, a NED or advisory appointment does three things: it maintains strategic visibility, builds governance credibility and provides a platform for the network activity that drives the majority of senior permanent appointments.

Interim and contract arrangements are growing faster than permanent hiring data suggests. The supply-demand balance for interim leadership is currently among the most favourable it has been in five years. For executives open to this route, it is also the fastest path to a permanent offer in several sectors.

FIVE ACTIONS FOR EXECUTIVES IN Q3 2026

1. Audit your AI literacy against board expectations.
2. Develop a transformation narrative that goes beyond your function.
3. Build visibility in the hidden market before you need it.
4. Consider interim, advisory and NED routes alongside permanent roles.
5. Position around growth sectors rather than legacy sectors.

To explore how Rialto's data-driven career strategy support can help you navigate this market, get in touch for a free initial consultation.

READ THE RIALTO Q3 2026 GLOBAL OUTLOOK

Global Executive Hiring and Economic Outlook: Q3 2026

FREQUENTLY ASKED QUESTIONS

What is the UK executive job market like in Q3 2026?

Headline vacancy numbers are at a five-year low and redundancies are rising, but Q3 hiring intentions are the strongest in two years. The UK's Net Employment Outlook of 37 (ManpowerGroup) places it fourth globally. Strategic hiring is continuing even as organisations restructure. The most important route to senior roles remains the hidden market, where 70 to 80% of appointments at executive level are made without a public vacancy.

Which sectors are hiring senior executives right now?

Executive demand is strongest in defence and regulated technology, cybersecurity, fintech, healthcare technology and green energy. Technology and Information leads hiring intentions at NEO 46, with Construction at 43 and Manufacturing at 40. Financial Services sits at 36. The fastest-growing appointments are Chief AI Officer, Chief Information Security Officer and Chief Transformation Officer.

How is AI affecting C-suite roles?

AI is having a dual effect. Roles defined primarily by managing processes susceptible to automation are at increasing risk; one in six UK employers expects AI to reduce headcount in the next twelve months. Demand for executives who can lead AI transformation, govern agentic systems and close the strategic AI capability gap is significant and underserved.

What skills are boards looking for in 2026?

Demonstrated AI literacy, tested resilience, the ability to lead transformation and communicate it across diverse stakeholder groups, commercial judgement beyond one function and sector versatility. Sustainability credentials, specifically integrating ESG into business strategy rather than treating it as compliance, are also rising up board agendas.

Should I consider a NED or portfolio career?

The NED and portfolio route is increasingly viable for executives with backgrounds in technology, sustainability, AI, transformation or financial services. FTSE 350 NED fees range from £40,000 to £70,000 per year, with committee premiums above that. A portfolio combining NED roles with advisory or coaching work can provide financial sustainability alongside continued proximity to strategic decision-making.

What should I do if I have been made redundant in 2026?

Resist the instinct to move quickly into the visible market without first taking stock. Seek professional career support to benchmark current skills against demand, sharpen your leadership narrative and identify the hidden market channels most relevant to your experience. Update your AI literacy and position it explicitly in your narrative. The market is moving fast; a clear-eyed view of where the opportunity is, rather than where it was, is the starting point.

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