

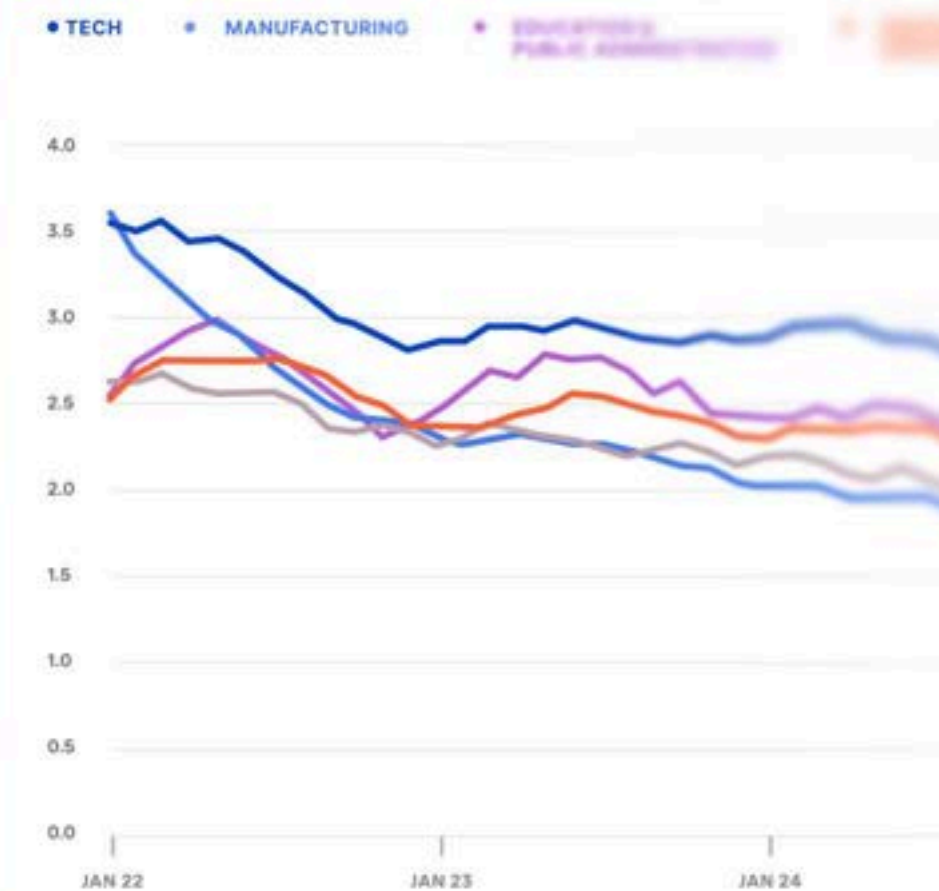
# The Personio Index Q2 2026

Real-time workforce signals across  
European organisations using Personio

Year-on-year headcount growth (%)



Recruiting intensity over time by industry



# The Personio Index: Q2 2026

## Real-time workforce signals across European organisations using Personio

Every day, thousands of organisations use Personio to manage the decisions that shape their workforce.

Taken together, that activity gives us a real-time view of how businesses are growing, investing in their people, and adapting to AI-related workforce changes.

In this first edition of The Personio Index, we take a look at what our data suggests about headcount growth, salary increase budgets, recruiting activity, and early AI-driven workforce changes.

### Three trends to watch

1. Headcount growth is still positive, but cooling since 2022.
2. Recruiting activity is beginning to pick back up, with stronger movement among smaller organisations and some key sectors.
3. Salary increase budgets remain steady in the middle while the more generous budgets at the top end are starting to cool.

### A trend on the rise

Early AI signals — including a shift towards senior individual contributor hiring, and how existing roles are being reshaped around AI.



# Headcount signals

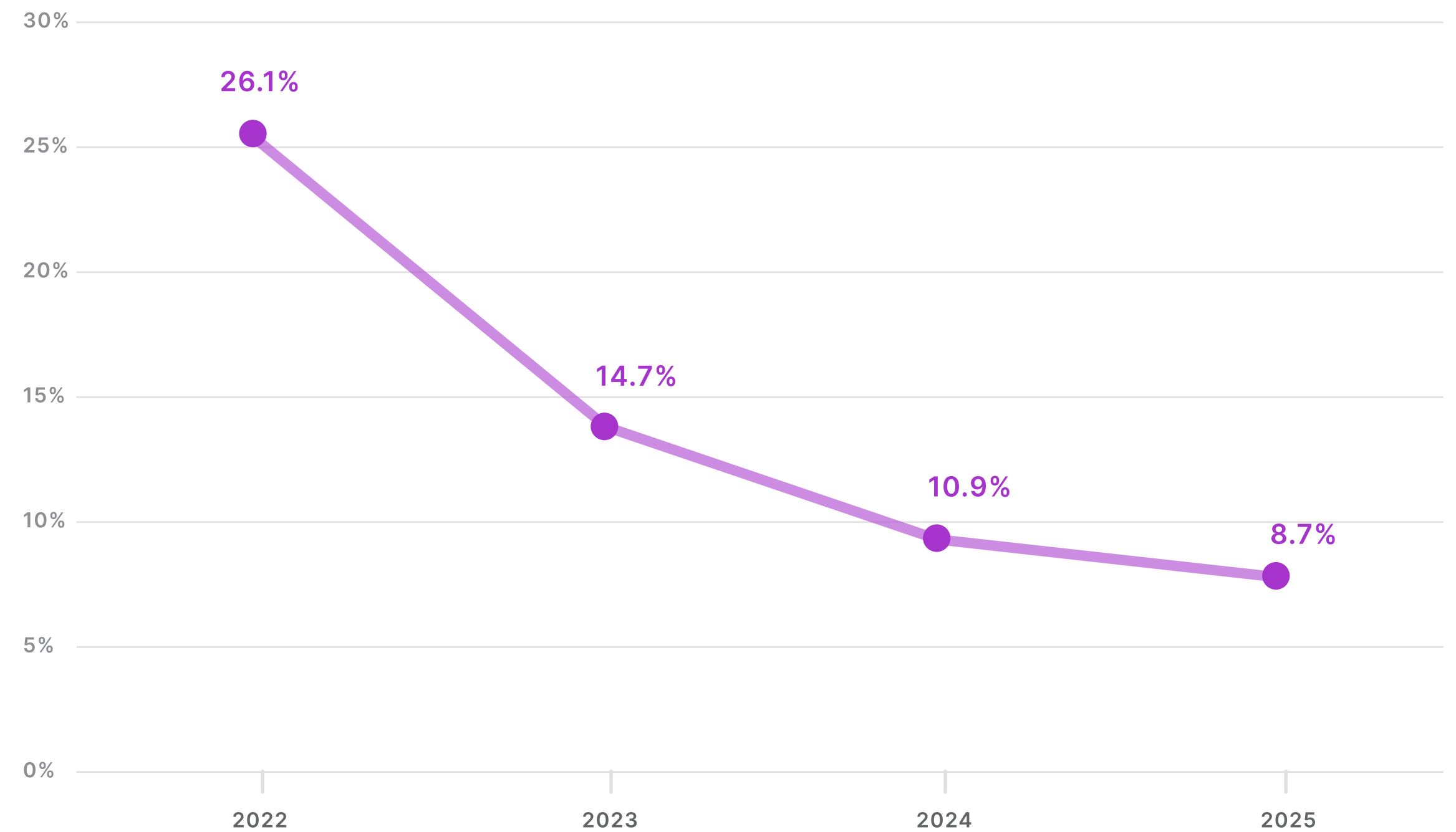
01

## Headcount growth has dropped from its 2022 high

Since 2022, higher interest rates and broader economic uncertainty have meant caution ahead for most organisations. Our data shows the same picture: headcount is still growing, but the rate of growth has slowed.

After a high of 26.1% in 2022, Personio customers' headcount growth in 2025 declined to 8.7%, falling a total of 17.4 percentage points.

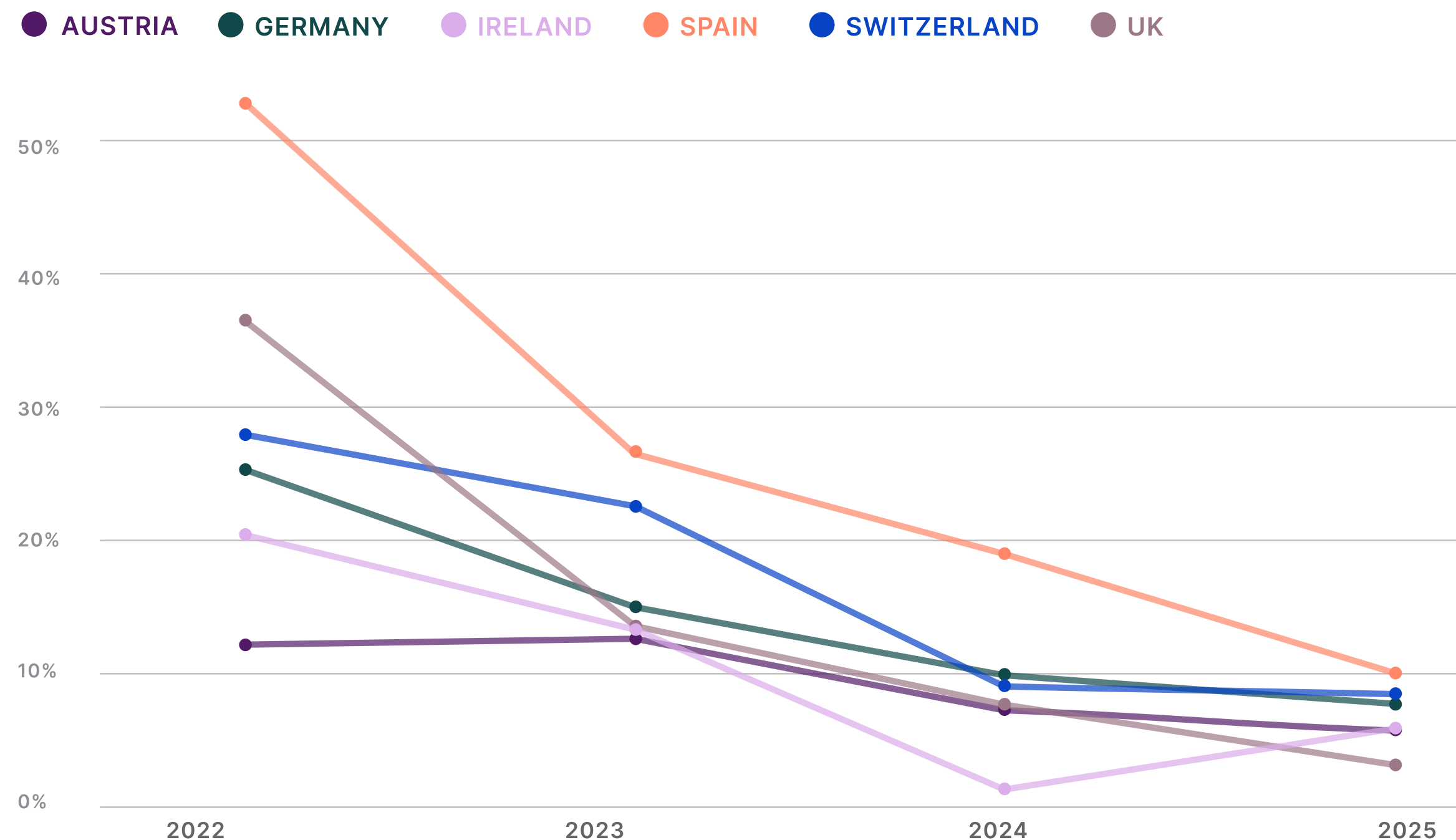
### Year-on-year headcount growth (%)



### The takeaway

Headcount growth is on a downward trajectory — and organisations are becoming more selective about hiring the roles that fill capability gaps.

## Headcount growth by region



## Spain leads the market, but the gap is narrowing

- Spain is the fastest-growing market in 2025, with headcount growth sitting at 9.9%.
- Ireland was the only market where growth rebounded, moving from 0.8% in 2024 to 5.5% in 2025.
- After a higher-growth period in 2022, the UK sat at the lower end of the dataset in 2025 with a growth rate of 2.7%.

## The takeaway

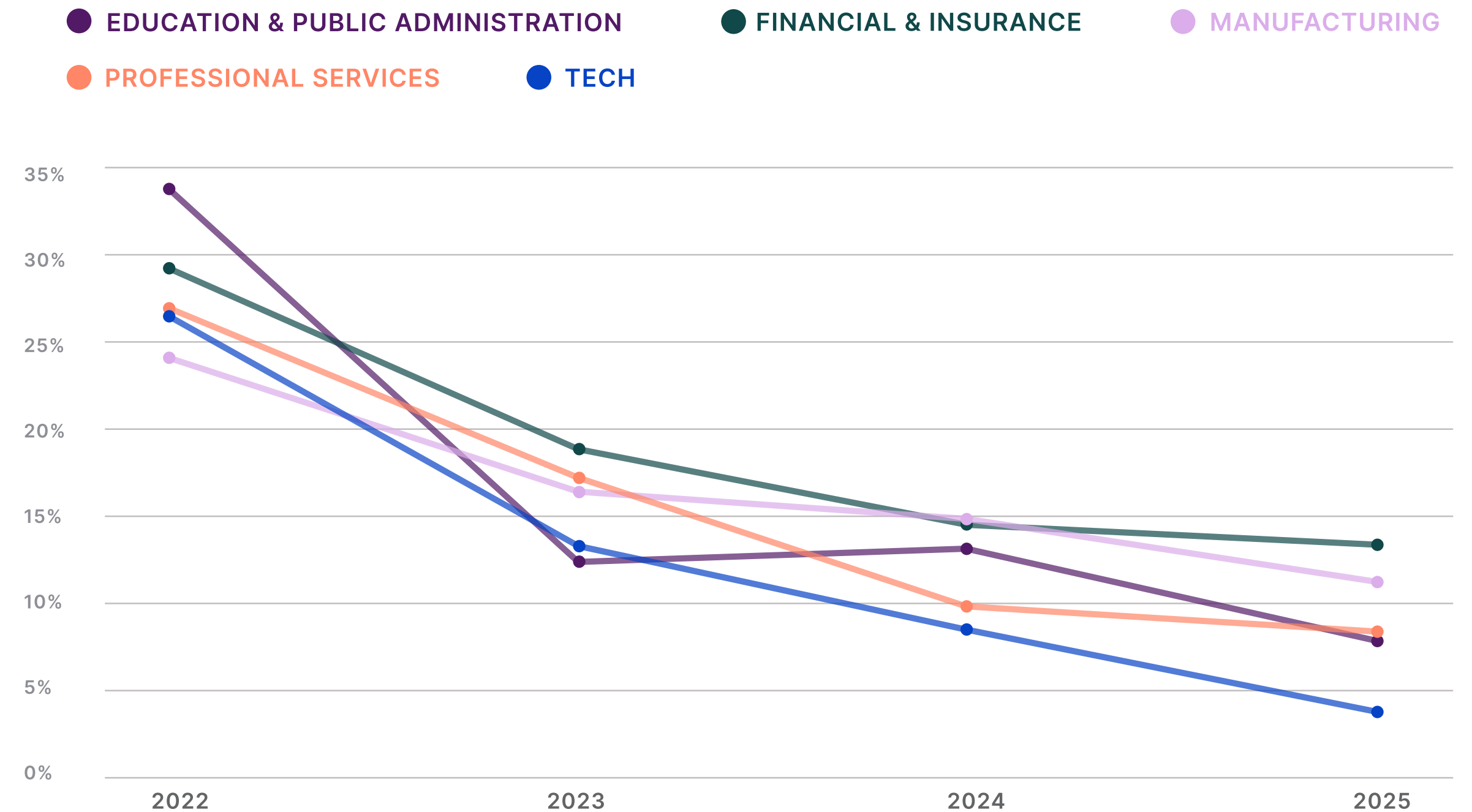
By 2025, the countries in our dataset all saw growth rates clustering around a tighter range, showing fewer extremes or wild swings across respective talent markets.

## Tech headcount growth bottoms out at 3.4% — the lowest industry rate in 2025

At a sector level, headcount growth in 2025 was led by the financial and insurance sector, but manufacturing wasn't far behind.

- The financial and insurance sector held up the strongest with headcount growth sitting at 13.2% in 2025.
- Manufacturing also saw a healthier headcount growth rate than most at 10.9%.
- Education and public administration saw the steepest fall between 2022 and 2023.
- Tech companies saw the lowest overall headcount growth in 2025, coming in at 3.4%.

### Headcount growth by industry



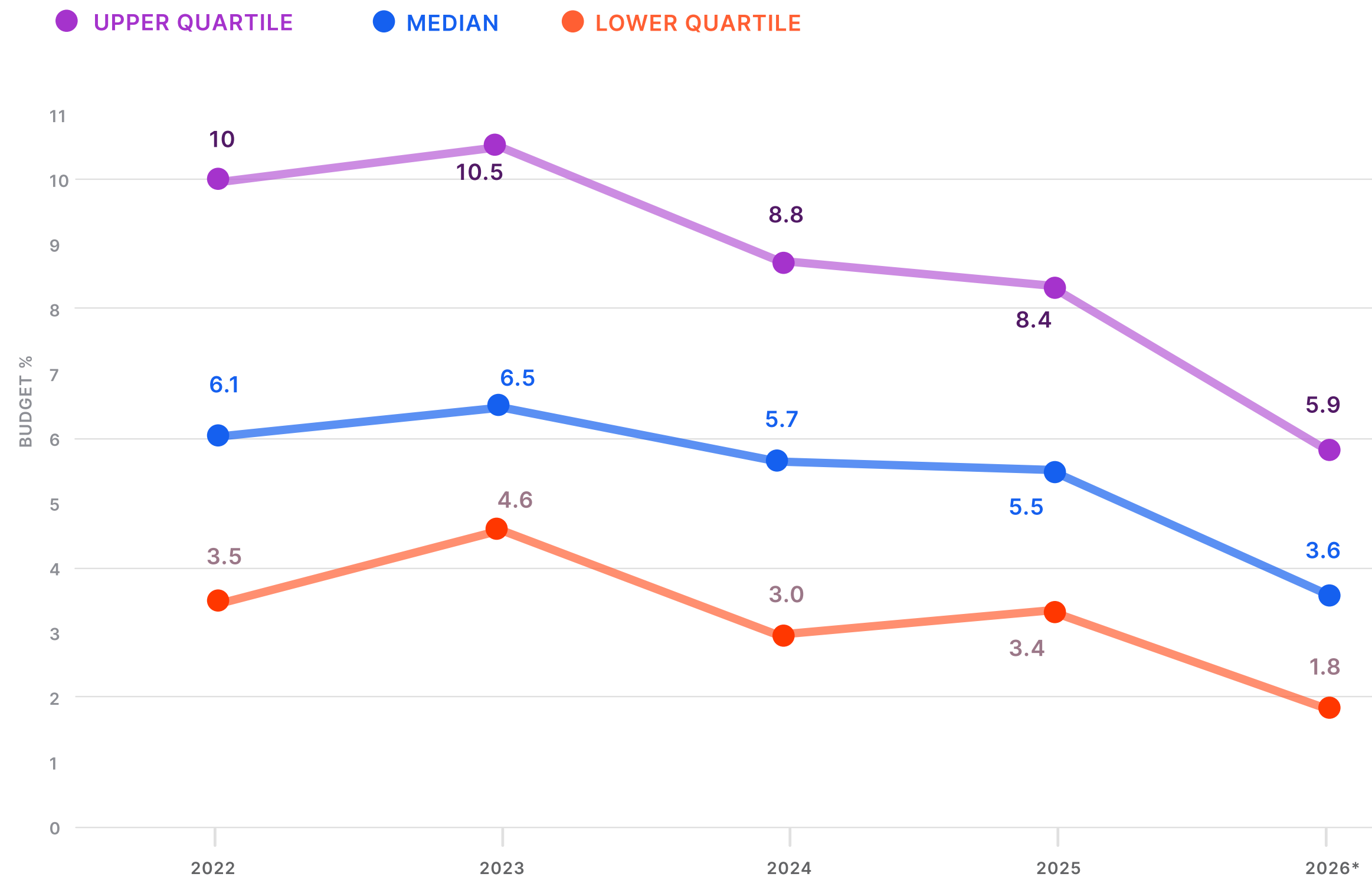
### The takeaway

With the top two sectors split across field-based and office-based roles, our data suggests that demand is still high for skills that are hard to outsource or automate.

# Salary increase budgets

2022

## Salary increase budgets over time



## Top-end salary budgets are starting to cool

The days of plump pay rise pots could be waning. Looking only at base salary increases for professional roles, our customer data reveals a downward trend across the board:

- Median salary budgets have stayed relatively stable from 2022 onwards, but dropped 1.9 percentage points in Q1 2026.<sup>1</sup>
- The 75th percentile has moved from around 10% to 5.9%.
- The gap between lower- and upper-quartile salary budgets is narrowing compared to the higher increases we saw in 2022.

### The takeaway

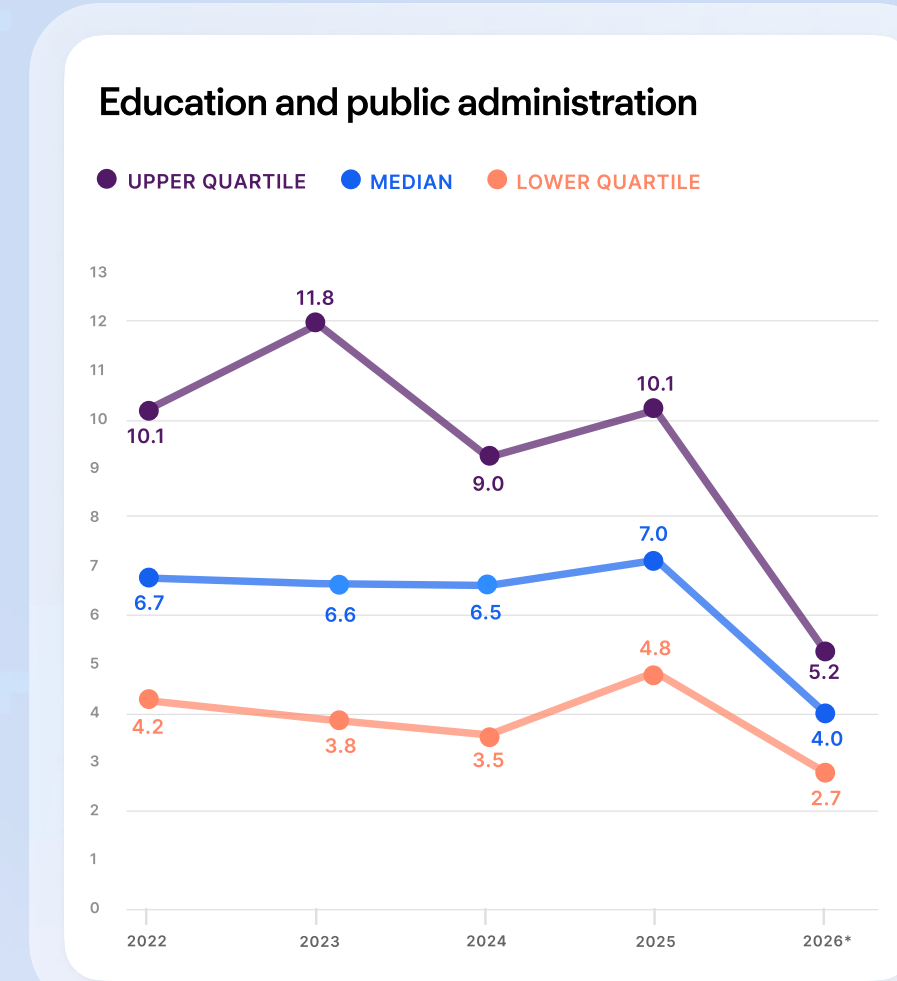
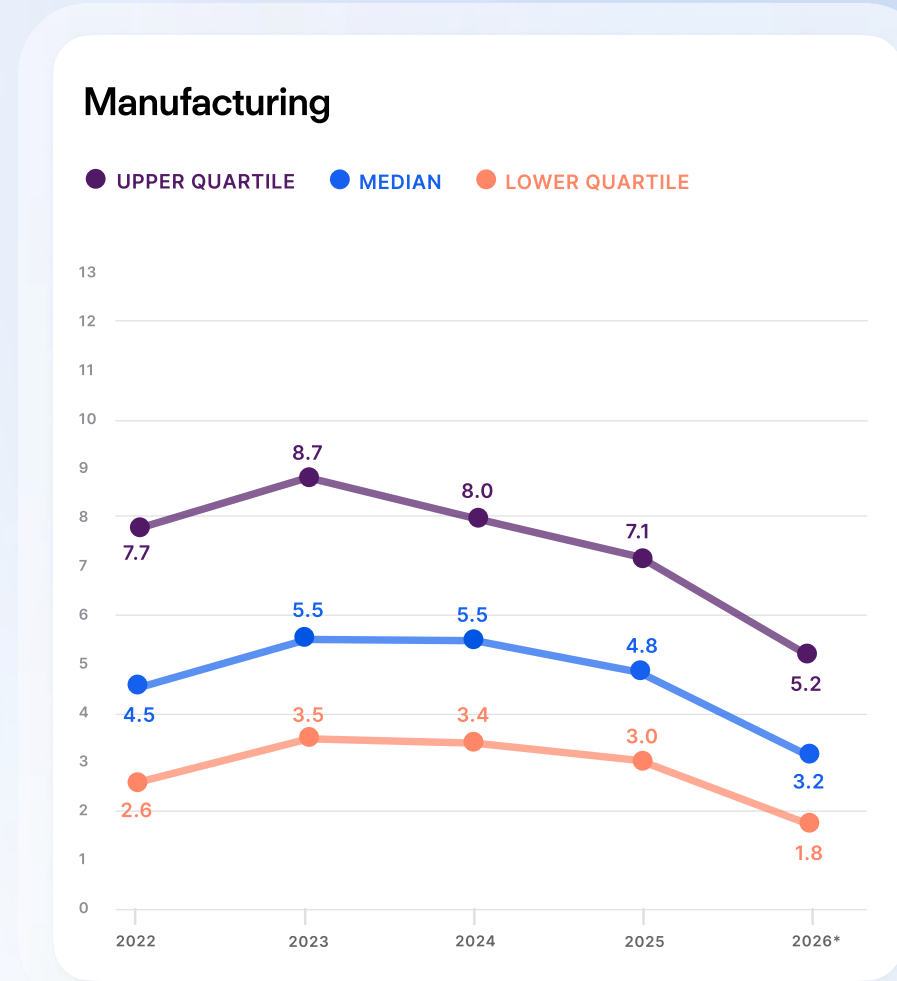
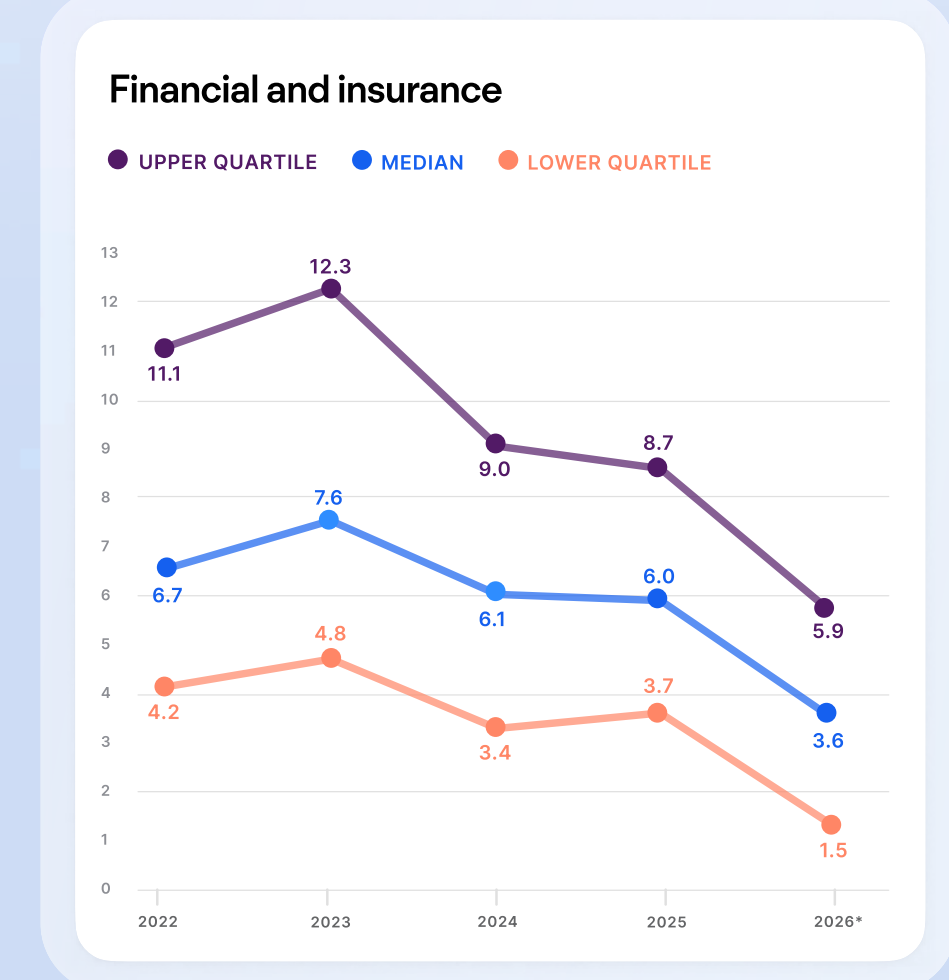
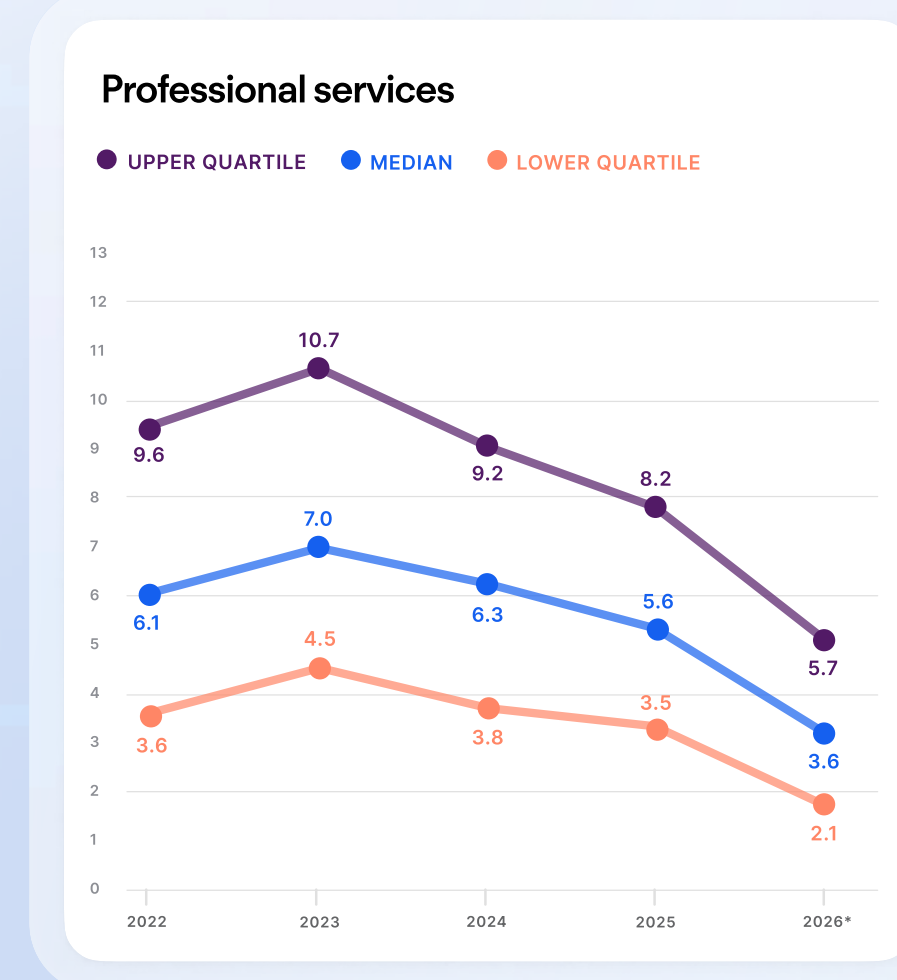
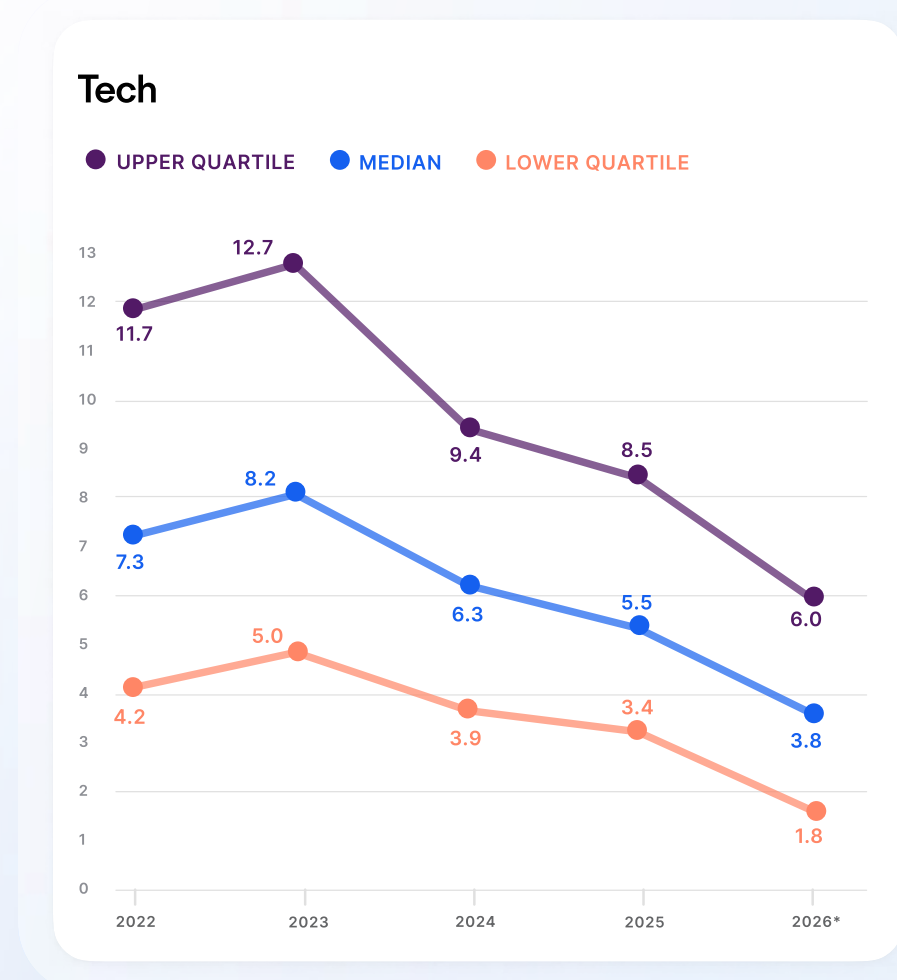
Cooling top-end budgets could be an early signal of easing retention pressure as fewer companies rely on large salary adjustments to keep critical talent.

<sup>1</sup> All 2026 data in our salary budget analysis reflects increases granted in Q1, limited to companies whose compensation reviews happen mostly in Q1.

## Higher salary increase budgets are cooling across all industries

Breaking salary increases down by industry shows us a significant decline in top-end salary budgets into Q1 2026 – but the exact trajectory looks different across sectors:

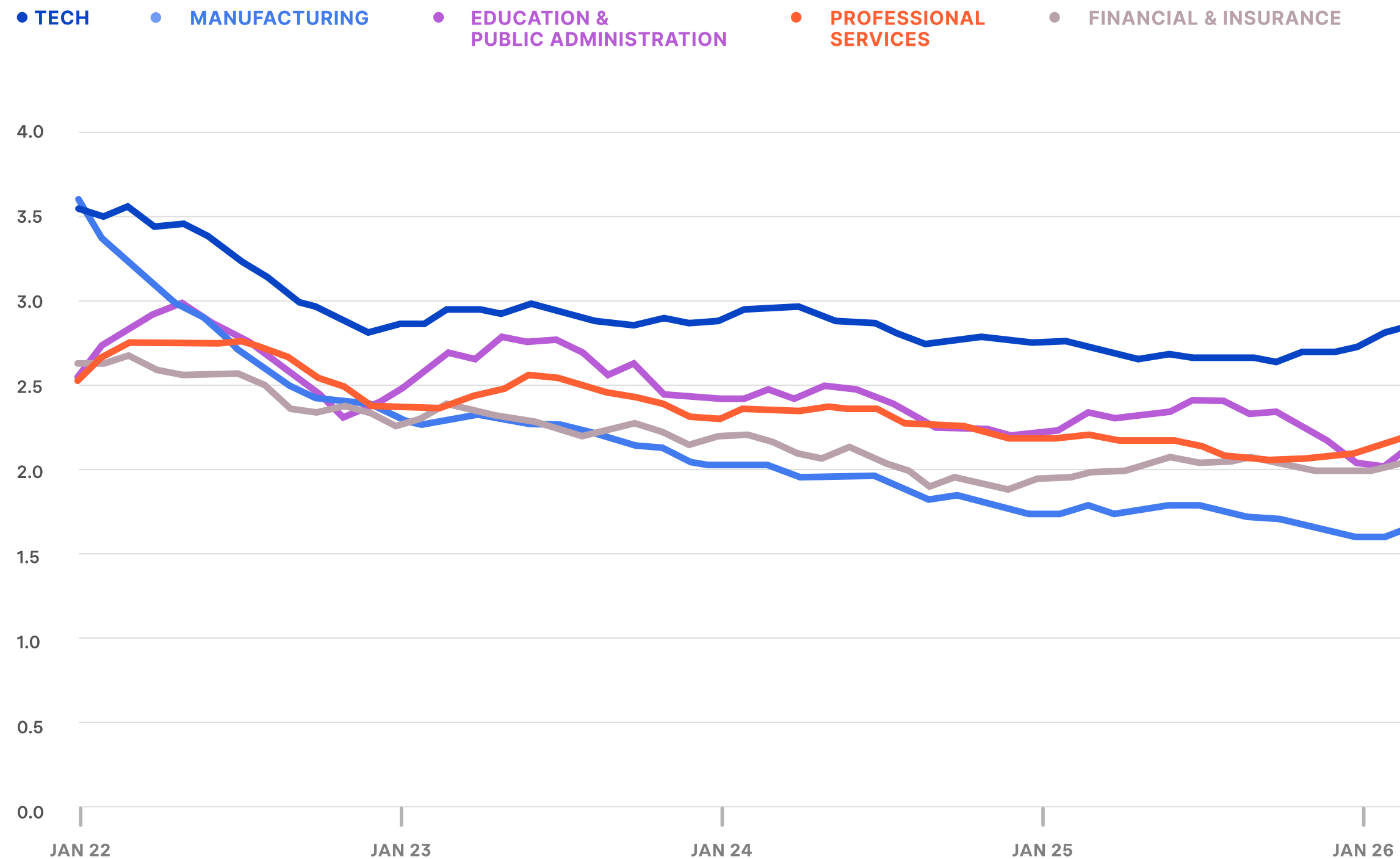
- Tech and financial and insurance saw higher budgets in 2022 and 2023, but then had a clear step-down from 2024 onwards.
- Manufacturing budgets sat on the lower end, but were overall steadier, easing by 2025.
- Education and public administration saw the most volatile budget fluctuations with a stable median and lower quartile, but a spikier upper quartile that declined steeply in Q1 2026.
- Professional services saw a 2023 peak, but then a more moderate decline through year-to-date.



# Recruiting activity

03

## Recruiting intensity over time by industry



## Tech leads recruiting activity, even as headcount growth slows

Recruiting activity has fallen from early 2022 levels across all measured sectors, and recovery was only cautiously underway in Q1 2026. But this isn't a return to hiring boom times — organisations are still wary about opening new roles. And recovery is very uneven:

- The tech sector has seen consistently higher recruiting activity compared to other sectors despite slower headcount growth.
- Education and public administration saw the biggest swings in recruiting activity from 2022 to 2026 — with hiring intensity on the uptick in Q1 2026.
- Manufacturing took the hardest fall post-2022, and is yet to recover compared to other sectors.

### The takeaway

Recruiting activity is concentrated in organisations that can move more flexibly — like digital-native, skills-led sectors such as tech and professional services.

## Small businesses lead the charge for hiring activity

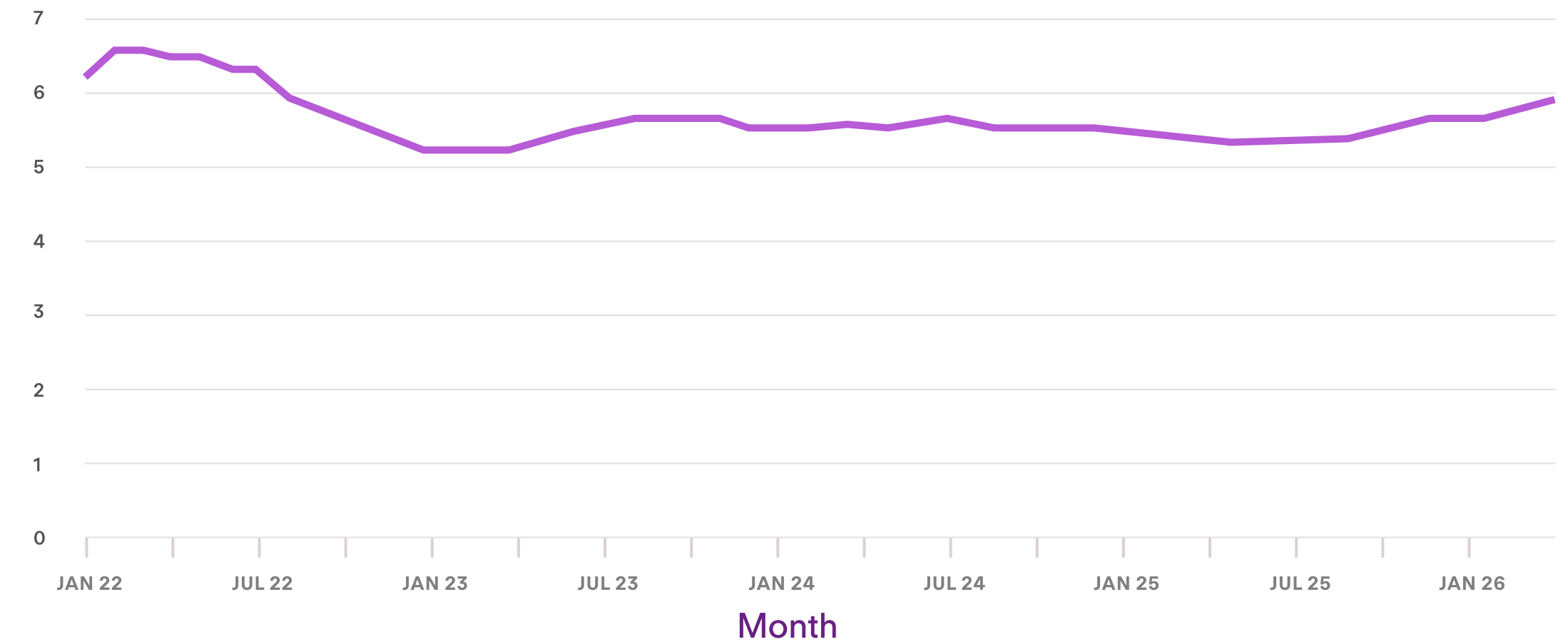
Segmenting our data by company size shows the same overall trend that hiring activity is beginning to recover. But small businesses are pulling ahead:

- Hiring activity started to pick up again from July 2025 for small businesses, hitting 6% by January 2026.
- Medium and large businesses' recruiting intensity fell by more than a quarter between January 2022 and January 2026.
- Medium and large company hiring started to recover later than smaller peers, hitting 1.6% in January 2026.

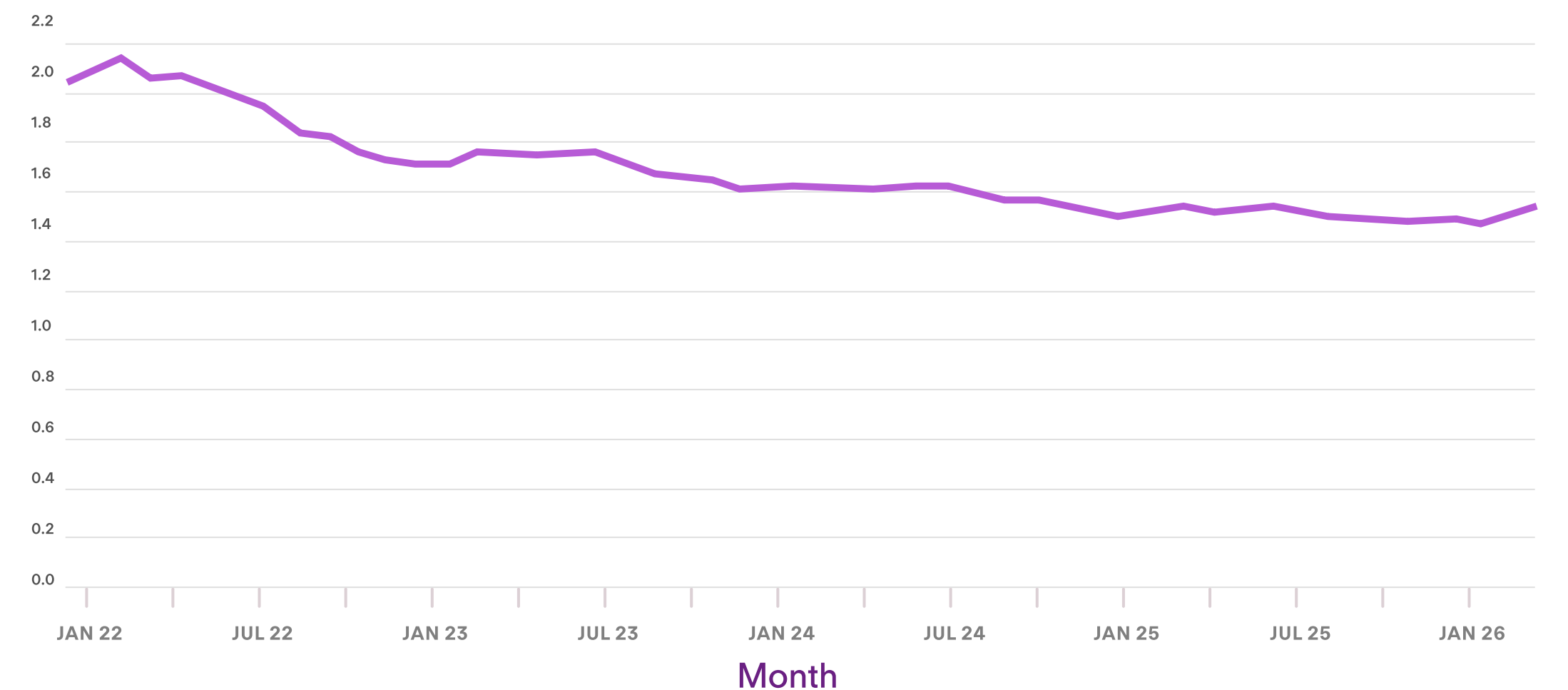
### The takeaway

Small organisations are rebounding more quickly than larger ones — suggesting they're more willing to take on the 'risk' of hiring, and more able to respond to hiring demand without internal constraints or approval layers.

Recruiting intensity over time: Small businesses



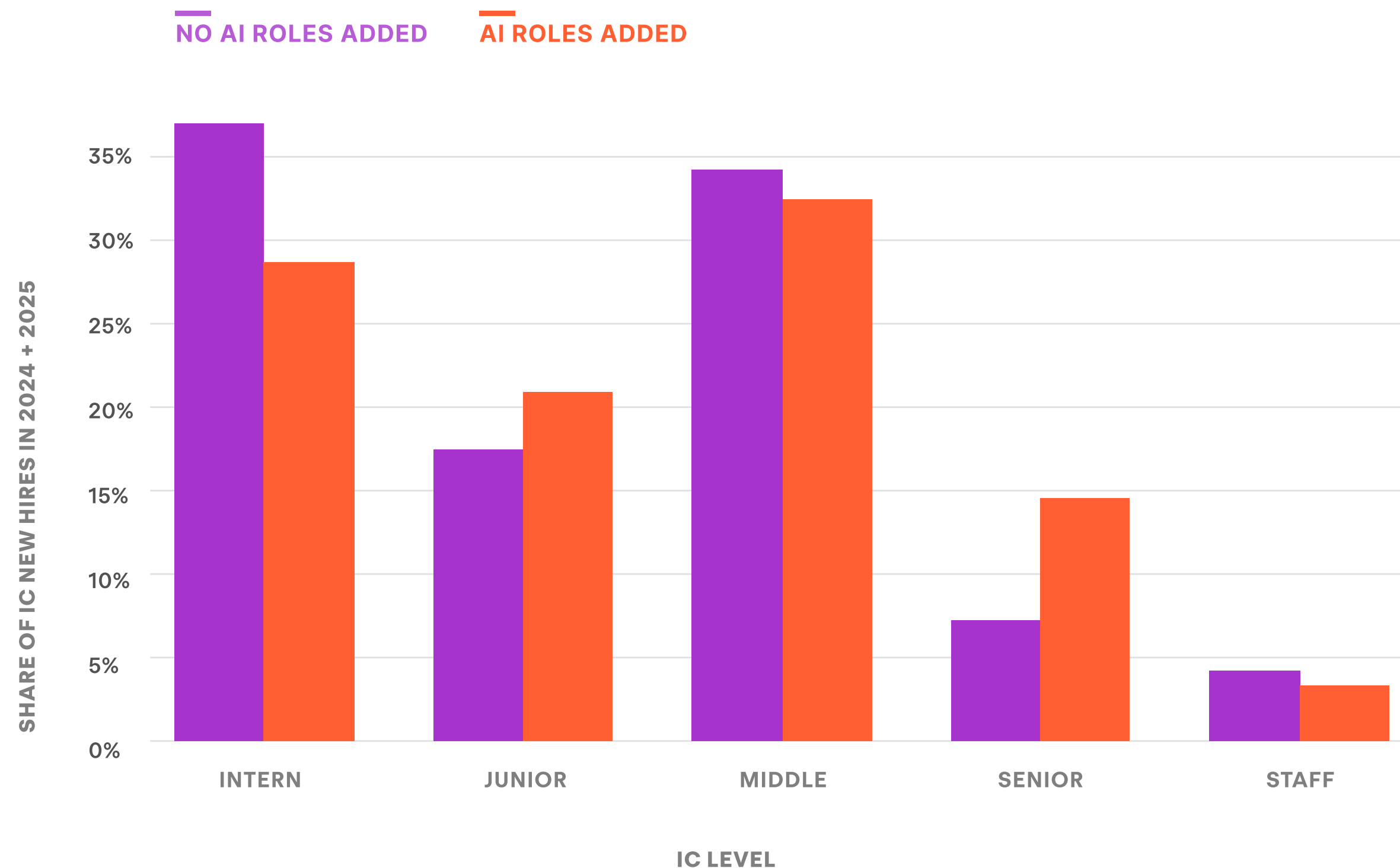
Recruiting intensity over time: Medium & large businesses



# AI workforce signals

04

## Individual contributor hiring patterns



## Organisations are betting on senior IC talent

As organisations start ramping hiring to increase AI capability, one big question is *how* they're hiring to build that muscle. Our data suggests that senior hires are high on the priority list.

- Among companies hiring for AI talent from 2024 to 2025, senior individual contributors made up 14.7% of total hiring activity, compared to 7.4% at companies not hiring for AI talent.
- Companies prioritising AI talent also hired proportionally fewer interns (27.9% versus 36.5% at companies not hiring for AI talent), with a slight uptick in junior talent.

### The takeaway

Companies hiring for AI talent appear to be prioritising senior talent across their hiring strategy, not just for AI roles — suggesting they're leaning on deep technical expertise to get AI initiatives off the ground more quickly. But organisations should be cautious about scaling back on their early-career talent pipeline if their focus is long-term capability.

## AI-related job title changes have skyrocketed

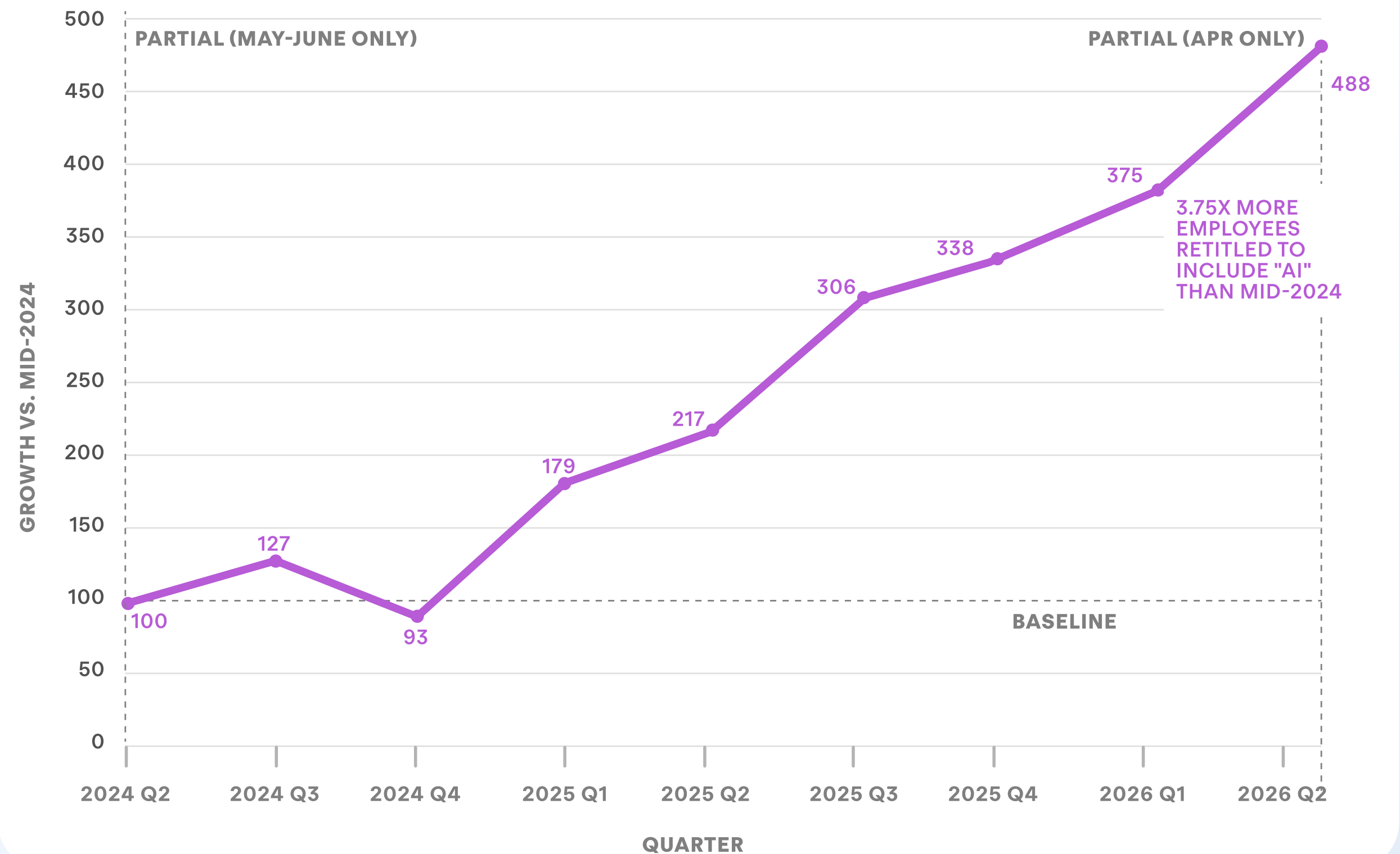
AI isn't only affecting who's getting hired — it's affecting existing roles. Employees' job titles are increasingly being updated to include the word 'AI', such as AI Product Manager, or AI Engineer. Our data shows the scale of this shift:

- AI-related job title changes have increased 3.75x from the Q2 2024 baseline.
- This trend accelerated significantly in April 2026, which surpassed all of Q1 for title changes.

### The takeaway

Our data shows a significant shift as organisations refocus roles to match future skills needs. The rise in AI-related job title changes suggests that organisations are starting to balance buying in new talent versus building capability internally — pointing to a broader shift in formalising the key roles and skills needed for the future.

## AI-related job title changes



# What we're watching next

These workforce signals offer an early read on what looks to be a more selective growth environment. Over the next quarter, we'll be watching to see how these signs unfold, and how they're shaping organisations' people strategies. The biggest questions on our minds:

- Does the recent uptick in medium and large recruiting intensity persist beyond March?
- Do salary budgets show further compression at the top end or re-acceleration?
- Is hiring growth broadening beyond tech and professional services?
- Will the rise in AI-related job title changes continue to gain pace throughout 2026?



# About our data

The Personio Index is based on aggregated, anonymised trends observed across our European customer base of 16,000+ organisations of varying sizes and sectors. To protect confidentiality, we do not publish customer- or employee-identifiable information.

**For this edition, we analysed five key factors:**

## Headcount growth

Changes in recorded employee headcount

## Salary increase budgets

Increases in base salary, as a share of total base salary

## Recruiting activity

Open roles as a share of workforce size

## AI hiring mix

Seniority distribution among individual contributor hires at companies adding AI roles

## AI-related job changes

Employee title updates that include 'AI'

All of our data reflects activity recorded in Personio from 2022 to 2026. Our findings should be read as directional signals only within our dataset, not commentary on the European workforce as a whole.