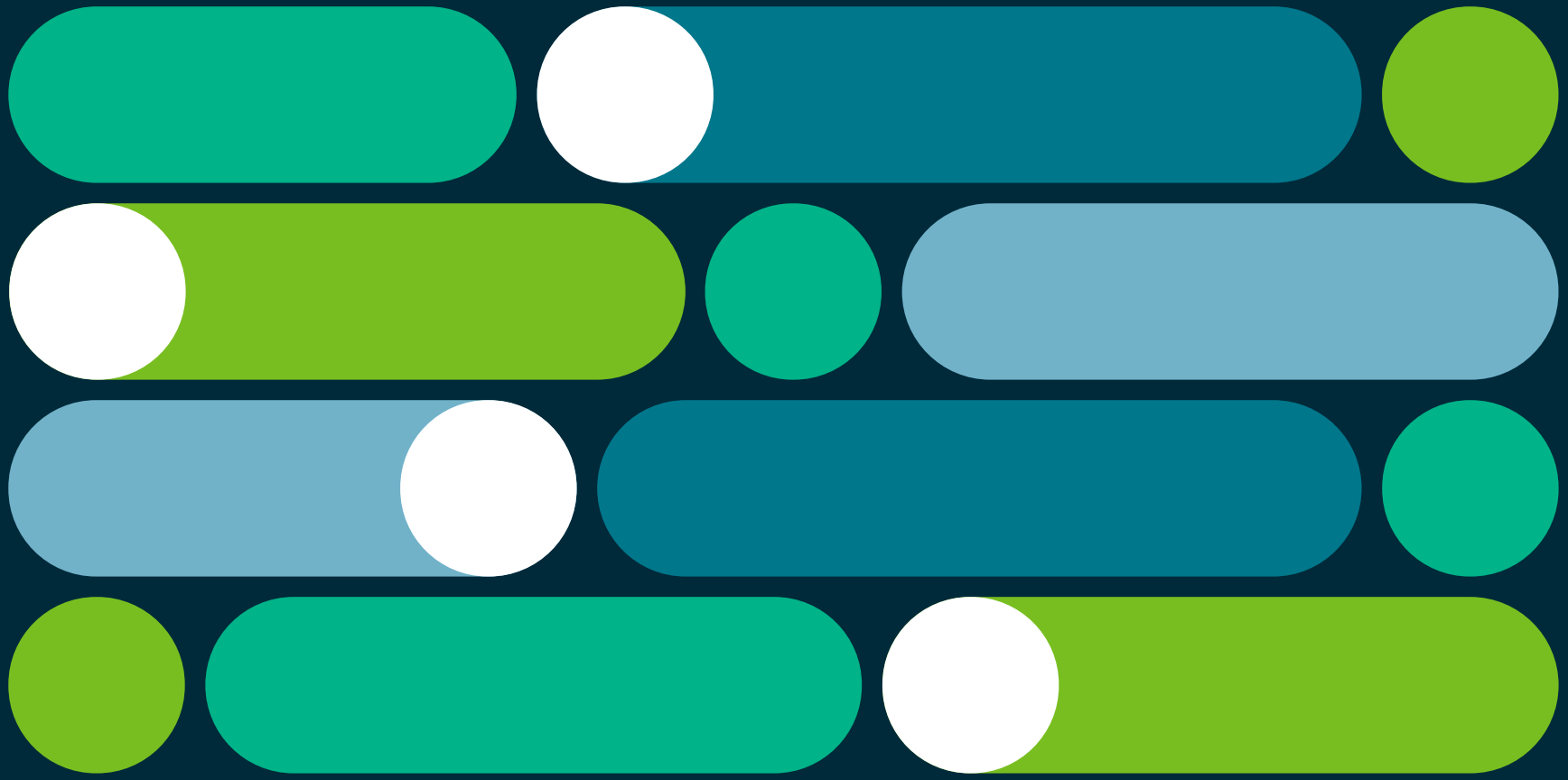
Ireland's Talent Landscape 2026

Future Skills Challenges of Irish Business



www.skillnetireland.ie

Skillnet IRELAND

Research Partner
Ipsos / Behaviour & Attitudes (B&A)

Empowering Ireland's enterprises and workforce with the skills and capabilities to drive national competitiveness.

Foreword

Irish businesses are operating in an environment of unprecedented change and uncertainty. Technological advancement, artificial intelligence, demographic shifts, the transition to a low-carbon economy, geopolitical instability and intensifying global competition are reshaping markets, industries and the nature of work itself. While these forces present significant challenges for enterprises, they also create new opportunities for those that can anticipate change, build capability and foster a culture of continuous learning.

Building on previous editions of this research, Ireland's Talent Landscape 2026 provides fresh insights into how businesses are responding to these challenges. The findings reveal a continued recognition of the importance of talent and skills as key enablers of growth, while also highlighting a persistent gap between awareness of future skills needs and the actions being taken to address them. The research shows that many organisations expect significant changes in their skills requirements over the coming years, yet workforce planning and talent development strategies remain uneven across the enterprise landscape.

This year's report also introduces a stronger focus on the digital capability of firms through the Ireland's Talent Landscape Digital Intensity Index. The findings highlight the growing connection between digital maturity, AI readiness and workforce development, revealing that businesses at different stages of digitalisation face distinct talent and skills challenges. Organisations require targeted, agile and innovative supports that reflect their size, sector, ambitions and level of digital maturity.

The aim of this report is to examine the key workforce and talent challenges facing businesses today, identify the skills and capabilities that will be required for future success, and better understand how organisations can be supported to build the talent they need for sustained competitiveness. In doing so, it provides an important evidence base for policymakers, educators, industry partners and employers as they work together to strengthen Ireland's skills ecosystem and support enterprise growth.

On behalf of Skillnet Ireland, I would like to thank the 750 business leaders who generously shared their time, expertise and insights to inform this research. I would also like to acknowledge our research partner, Ipsos B&A. Their perspectives provide invaluable insight into the challenges and opportunities facing Irish enterprise and will help shape workforce development solutions that support a competitive, innovative and resilient economy for the future.



Tracey Donnery
Director of Policy & Communications,
Skillnet Ireland

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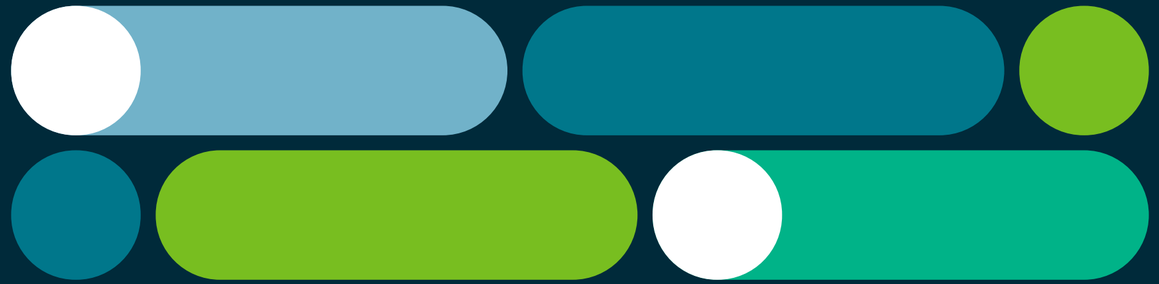
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Ireland's Talent Landscape





Navigating a Changing Landscape

As Ireland holds the Presidency of the Council of the European Union in 2026, competitiveness is at the centre of the European agenda. Technological change, intensifying global competition, demographic shifts, the transition to a low-carbon economy and evolving geopolitical and economic pressures are reshaping the environment in which businesses operate. Against this backdrop, the strength, adaptability and capability of the workforce offers an important source of competitive advantage.

Ireland's economy continues to demonstrate resilience in the face of structural change. However, businesses are operating in a more complex and uncertain environment than in recent years. Persistent trade tensions and a more fragmented international trading environment are creating new challenges for firms, particularly those exposed to international markets and global supply chains. Geopolitical uncertainty has also contributed to renewed volatility in energy markets and inflationary pressures, adding to the cost and complexity of doing business.

The transition to a more sustainable economy is adding another dimension to this changing environment. Across Europe, rising temperatures and prolonged periods of drought are placing additional pressure on food production, infrastructure and supply chains, while increasing the urgency of the transition to a low-carbon economy. For businesses, this means adapting not only their operations and technologies, but also the skills and capabilities required across their workforce.

Talent at the Heart of Ireland's Future Growth

Ireland's international reputation as an innovative, resilient and high-performing economy has long been underpinned by the talent and capability of its people. A highly skilled workforce remains one of Ireland's most important strategic assets, supporting productivity, investment, innovation and sustainable economic growth. At the same time, Ireland's labour market is undergoing significant structural transformation. The adoption of new technologies, including artificial intelligence and automation, is changing the nature of work and the skills required across sectors.

For businesses, access to the right skills and talent will be critical to navigating technological change, improving productivity, responding to the climate transition and remaining competitive in an increasingly complex global economy. This places greater emphasis on developing existing talent, attracting new skills and creating opportunities for continuous learning and progression. Upskilling, reskilling and lifelong learning are becoming increasingly important not only to individual career development, but also to organisational resilience and Ireland's wider economic competitiveness.

Ireland's Talent Landscape 2026 explores how businesses are responding to this changing environment and identifies the workforce priorities, skills challenges and development needs emerging across enterprises of different sizes, sectors and levels of digital maturity. The findings tell a story of an enterprise sector that remains resilient, but is preparing for a different kind of growth - one in which talent, continuous learning, digital capability and organisational adaptability are increasingly interconnected.

Ireland's Talent Landscape

Understanding Talent Challenges of Business

Ireland's Talent Landscape 2026 is based on a nationally representative survey of 750 business leaders across Ireland, conducted by Ipsos B&A. The sample was controlled by region and company size to reflect the business demography defined by the Central Statistics Office (CSO). The research provides a comprehensive picture of how businesses across different sectors, sizes and regions are responding to changing talent needs. It examines a range of issues such as the challenges businesses face in developing their workforce, and the priorities that will shape skills development in the years ahead, including the capabilities required to compete in an increasingly low-carbon, digital and AI-driven economy.

56% expect their core skills to change within the next three years, reinforcing the importance of developing existing employees alongside attracting new talent. Access to talent is consistently identified as the single most important factor supporting future business growth, yet many organisations face challenges in translating this recognition into strategic workforce planning and sustained investment in skills.

While there is widespread acknowledgement of the importance of upskilling and reskilling, participation in training and the adoption of structured approaches to talent development remain uneven. Two-thirds of organisations operate without a formal talent development strategy and have no plans to introduce one, pointing to a significant gap between recognising the importance of skills and putting the structures and investment in place to address future needs. This challenge is particularly evident among smaller businesses. More than one-third of businesses report that no employees participated in training in the previous 12 months, with training inactivity most pronounced among micro-enterprises, where operational pressures, time constraints and limited resources can make workforce development harder to prioritise.

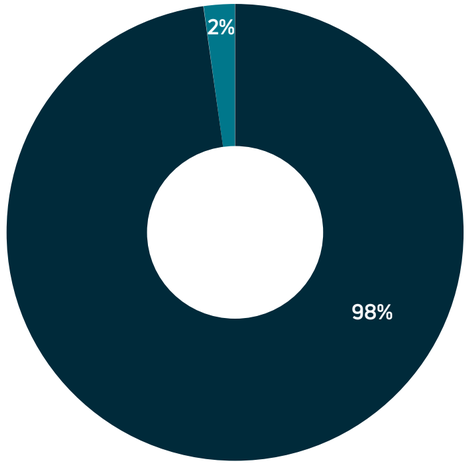
This year's research also introduces Ireland's Talent Landscape Digital Intensity Index. The Digital Intensity Index (DII)[1] is an official benchmark developed by Eurostat (the EU's statistical office) to measure how effectively businesses are using a range of digital technologies. This new lens has revealed a widening capability divide where organisations at different stages of digitalisation are facing very different workforce challenges. More digitally mature businesses are more likely to anticipate changing skills needs, invest in workforce development and recognise the importance of advanced digital, leadership and innovation capabilities. By contrast, many less digitally mature businesses continue to focus on more foundational skills.

These findings highlight a central challenge for Ireland's talent landscape: businesses increasingly recognise that talent and skills are critical to future growth, but many are not yet translating that recognition into sustained, strategic action, and the scale and nature of this need varies significantly across businesses, reflecting differences in digital maturity, size and readiness for change. Closing this gap will be essential to ensuring that Ireland's workforce can adapt to changing technologies, business models and economic demands, while enabling enterprises to capture the opportunities presented by digitalisation, AI and the transition to a more sustainable economy.

[1] Eurostat, Digital Intensity Index (DII) Methodology, European Commission.

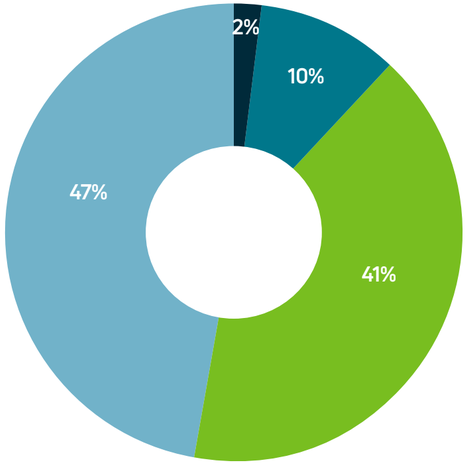
Future Skills Challenges Business Demographics

Ownership



- Irish-Owned (98%)
- Multinational (2%)

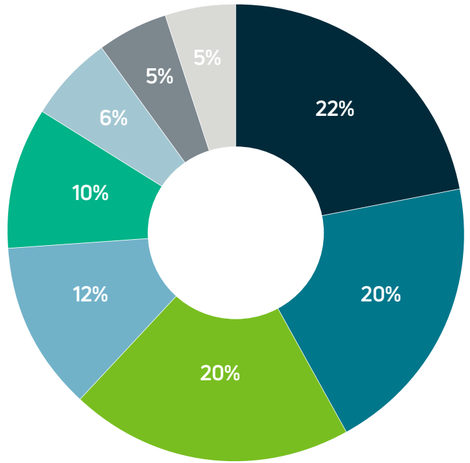
Number of Employees



- 250+ Employees (2%)
- 50-249 Employees (10%)
- 10-49 Employees (41%)
- <10 Employees (47%)

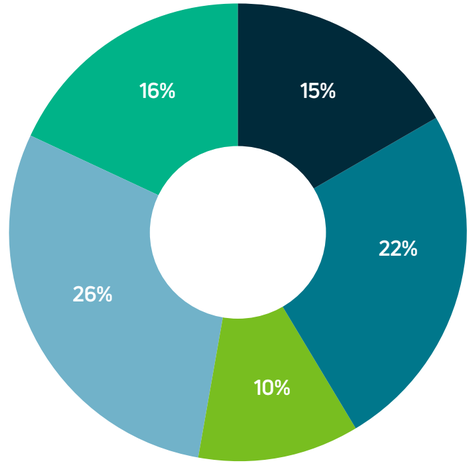
Future Skills Challenges Business Demographics

Industry Profile



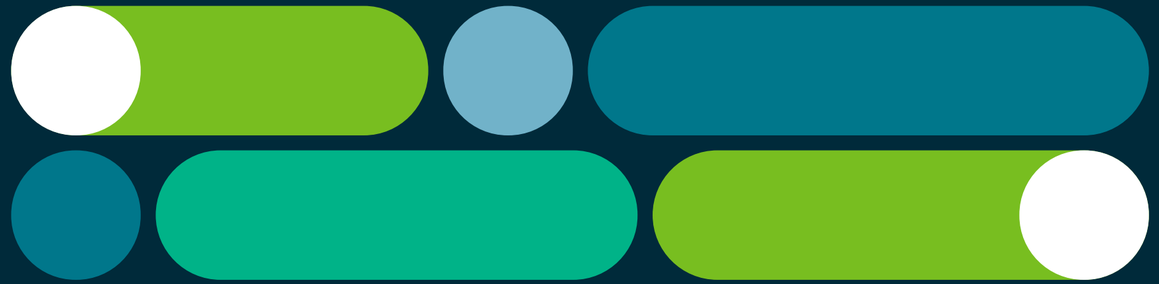
- Manufacturing (22%)
- Construction (20%)
- Services (20%)
- Wholesale & Retail (12%)
- Business & Financial (10%)
- Transport & Storage (6%)
- Tourism & Hospitality (5%)
- Other (5%)

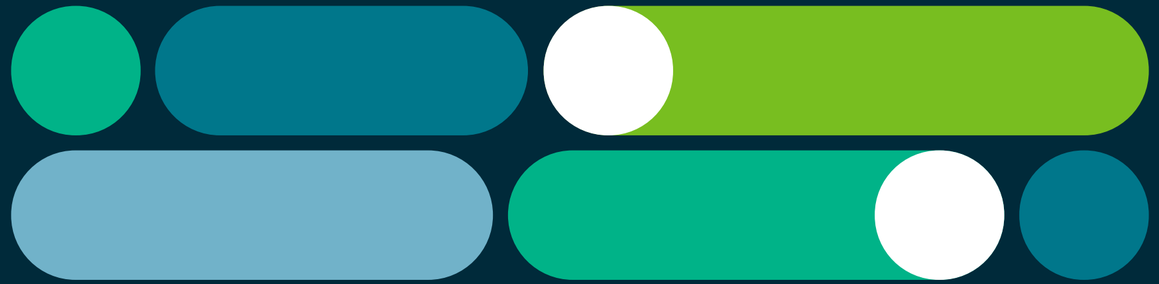
Role Type



- Business Owner (15%)
- Managing Director (22%)
- Director (10%)
- Other Manager (26%)
- Office Manager (16%)

Future Skills
& Talent Development Challenges





Key Insights

Business confidence is strong. Over half of businesses surveyed rate their economic strength highly.

However, this does not translate into expansionary plans. Future hiring intent has dropped since 2024, suggesting a "wait and see" approach to growth.

Access to talent remains the number one factor for future growth factor for Irish businesses.

Overall skills sourcing pressure has eased to 29%. However, 56% of businesses expect their skills requirements to change within the next two to three years.

A two-speed digital economy is now a reality. 41% of firms are highly digitalised and face advanced skills gaps.

A differentiated approach to skills development for companies at various stages of digital maturity is needed.

A concerning training participation gap is widening.

The number of firms offering zero training has risen to 35%, particularly among micro-enterprises, despite 78% agreeing that upskilling is more important than ever for competitiveness.

A strategy deficit persists. The majority of businesses lack a formal talent development plan.

This reveals a disconnect between the reality of constant skills change and the strategic planning needed to address it.

To boost increased upskilling engagement, businesses are seeking practical solutions.

Increased grant aid, better communication of available supports, and flexible online and blended learning are sought to address barriers of time and cost.

Future Skills & Talent Development Challenges

Business Confidence Remains Strong Amid Growing Caution

Ireland's businesses are operating from a position of considerable underlying strength. Overall, 94% of business leaders describe their organisation's economic strength as strong or very strong. Confidence is particularly high among large businesses (250+ employees), with every organisation surveyed rating its economic strength as strong or very strong. Irish SMEs are also maintaining strong levels of confidence. More than half describe themselves as very confident in the strength of their business, up from 48% in 2025.

Yet this confidence is tempered by caution. Hiring intentions have declined since 2024, suggesting that many businesses are taking a measured approach to expansion as they navigate changing economic conditions and continued global uncertainty. Just 19% of businesses aim to increase staff numbers in the next 12 months. Continued growth ambition is weighted more towards large businesses with 250+ employees, 40% of whom expect to increase employee numbers over the next 12 months, demonstrating that, despite a more uncertain operating environment, many large employers continue to plan for expansion. SMEs with less than 250 employees are taking a more cautious approach, with 28% expecting to increase headcount over the same period.

This makes the role of talent development particularly important. When businesses are cautious about increasing headcount, the capabilities of their existing workforce become an even more important source of productivity and growth.

Navigating the Shift in Skills Requirements

Access to skilled people remains the most important business enabler identified by enterprises. Among SMEs (10-49 employees), 72% identify access to qualified talent as very important for business success, rising to 75% among large businesses (250+ employees).

The importance of talent extends well beyond recruitment. As business needs evolve, organisations increasingly need to develop, retain and redeploy their people to ensure they have the skills required for the future. The skills landscape remains in perpetual motion. Over half of all businesses expect the core skills their business needs will change in the next three years. This shift is particularly pronounced among larger businesses (50-250+ employees), 79% of which expect the core skills required by their organisation to change over the next two to three years.

For many, that shift is already underway. Technological transformation, artificial intelligence, sustainability requirements and changing business models are reshaping skills across sectors. 57% of SMEs (10-49 employees) and 65% of large businesses (250+ employees) report that their core skills requirements have changed over the past two to three years. At the same time, accessing the skills they need is a challenge. While overall skills sourcing pressure has eased since 2025, with the proportion of businesses reporting problems falling from 42% to 29%, over a third of SMEs and large businesses continue to report difficulties recruiting for key skills.

The Ireland's Talent Landscape Digital Intensity Index (DII) provides an important lens on how businesses are responding to this changing skills environment. The findings, which are outlined in the 'Digitalisation & AI' chapter, point to an emerging two-speed digital economy. Digitally more advanced businesses are not only anticipating greater change in their skills requirements but they are also placing greater emphasis on workforce development and on skills such as leadership, innovation and advanced digital capabilities. By contrast, businesses with lower levels of digital maturity remain more focused on foundational and operational skills. This suggests that a one-size-fits-all approach to skills development will be insufficient. Businesses at different stages of digital maturity will require different skills priorities and pathways to build capability.

This places continuous learning at the centre of competitiveness and points to workforce transformation becoming an integral part of long-term business strategy. Building a resilient talent pipeline will require businesses to look beyond immediate recruitment needs and consider how they can develop the capabilities of the workforce they have. As digital adoption and AI accelerate, ensuring businesses can develop the skills appropriate to their stage of digital maturity will also be increasingly important to unlocking productivity and supporting long-term competitiveness.

Employers increasingly recognise the importance of continuous learning. 78% of business leaders identify upskilling as a strategic priority and important for future success (up from 73% in 2025). The research, however, reveals a clear tension when it comes to awareness and action.

A Concerning Participation Gap

Businesses understand that skills are becoming more important. They recognise the need for upskilling. They see digitalisation, AI and sustainability changing their future capability requirements. But recognition is not consistently translating into action.

Even as changing technologies and market conditions increase the need for skills and employers increasingly recognise the value of learning and development, the proportion of enterprises providing no training has risen. The number of firms offering zero training has risen to 35% (up from 24% in 2025), despite 78% agreeing that upskilling is more important than ever for competitiveness. This inactivity is most pronounced among micro-enterprises, where over a third of firms offered no upskilling in the last 12 months.

Future Skills & Talent Development Challenges

Tomorrow's Skills Need Today's Strategy

A significant strategic planning deficit persists across businesses. While larger organisations are more likely to have formal approaches to talent development, strategic workforce planning remains far from widespread overall. 67% of businesses operate without a formal talent development strategy and have no plans to implement one, highlighting a critical gap between the pace of skills change and the strategic planning needed to respond to it. Large businesses (250+ employees) are performing comparatively well, with 75% reporting that they have a talent development strategy in place. This is consistent with the 62% that regard access to continuing education opportunities as very important for their employees. The strength of this strategic focus furthermore reflects the scale of transformation facing large organisations. With 69% expecting their core skills requirements to change over the next two to three years, continuing education and professional development are becoming integral to maintaining competitiveness.

The picture is weaker among SMEs (10-49 employees). While 60% recognise the importance of access to continuing education opportunities, this recognition does not consistently translate into strategic action. Only 31% support learning and skills development for more than half of their employees. The absence of formal talent development strategies across many SMEs suggests that workforce development is not systematically embedded in business planning.

This creates a potential mismatch: the pace at which skills are changing may be faster than the pace at which organisations are planning for them. The findings also indicate that business size and growth ambition are the key drivers of training investment. Larger firms and those planning to increase staff are significantly more likely to have a talent strategy and actively upskill their workforce.

This suggests a fundamental shift in how businesses should approach workforce development. Rather than treating training as a response to an immediate skills shortage, organisations need to anticipate the capabilities that will support future growth. That means connecting workforce planning to business strategy, identifying where technology, regulation or changing customer needs will alter roles; assessing the capabilities already available; and creating pathways for employees to develop the skills required next.

Larger firms that recognise shifts in their core skills and expect further change are significantly more likely to have a talent strategy in place and to actively invest in workforce upskilling.

Future Skills & Talent Development Challenges

Time, Relevance and Accessibility Matter

Lack of time is the leading barrier to workforce development, cited by 45% of businesses. This rises to 51% for SMEs (10-49 employees) indicating that businesses with fewer time and resources find workforce development difficult to prioritise. Cost, too, remains a significant determining factor, with half of all business sizes identifying that increased business supports and grant aid would encourage greater engagement in workforce development.

Learning preferences also vary. 42% of micro-enterprises prefer e-learning, while 70% of businesses employing 50 to 250 people favour in-house, trainer-led programmes. This variation reinforces the need for a flexible workforce development system that can respond to business size, sector, digital maturity and operating environment.

For some businesses, online learning may provide the flexibility required to overcome time constraints. For others, in-house programmes may provide the relevance and practical application needed to engage employees, reflecting the 41% of large businesses who report that available courses are not sufficiently tailored to the needs of their industry.

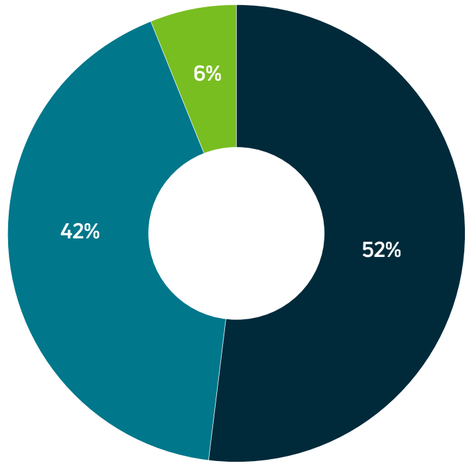
Participation in owner-manager upskilling and mentoring remains broadly stable, with 42% engaging in upskilling over the past year. Leadership & Management (26%) and Digitalisation (20%) were among the most common areas of focus. Among non-participants, time constraints (45%) and a lack of relevant supports (32%) were the primary barriers.

These findings point to an important principle: Learning must be relevant, flexible and practical enough to fit the way businesses operate.

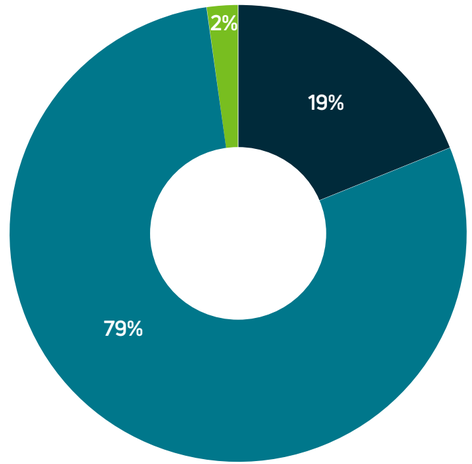
94% of business leaders described their business's economic strength as either strong or very strong. Employers increasingly recognise that workforce development is essential to sustaining competitiveness with 78% of business leaders identifying upskilling as a strategic priority and important for future success.

Economic Strength & Key Growth Factors

How would you rate the economic strength of your business?

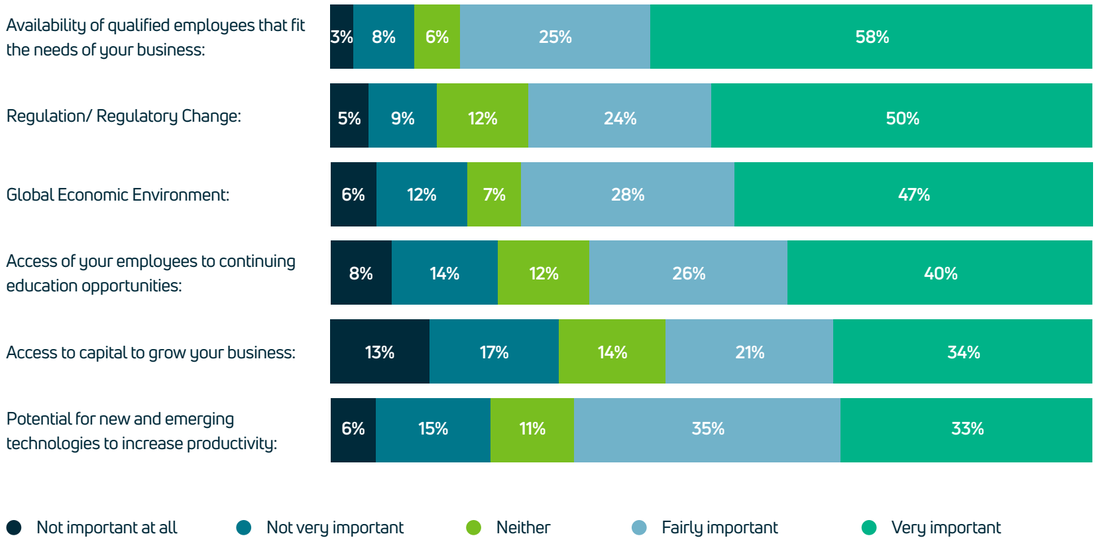


What are the plans of your business regarding staff numbers over the next twelve months?



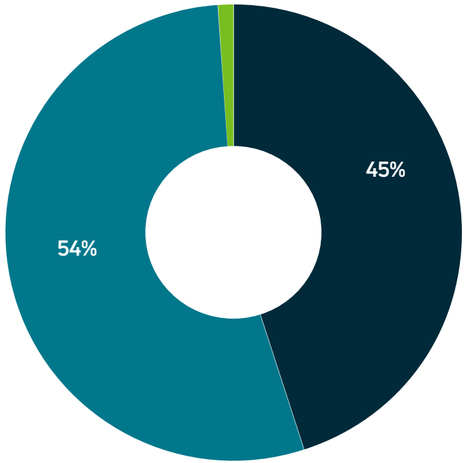
Economic Strength & Key Growth Factors

How important are the following factors for growing your business?

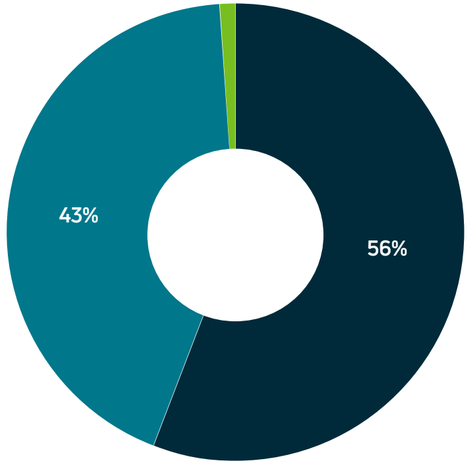


Future Skills & Talent Challenges

Have your core business skills changed within the past two to three years?

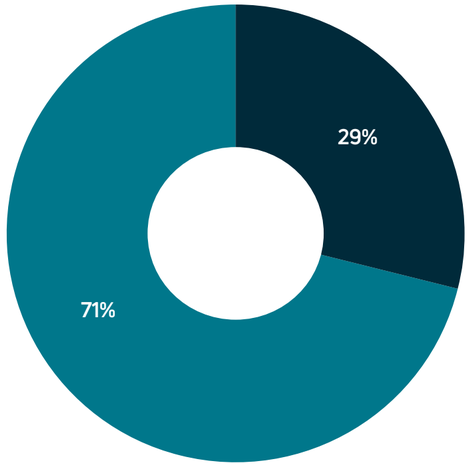


Do you anticipate further changes in business core skills in the next two to three years?

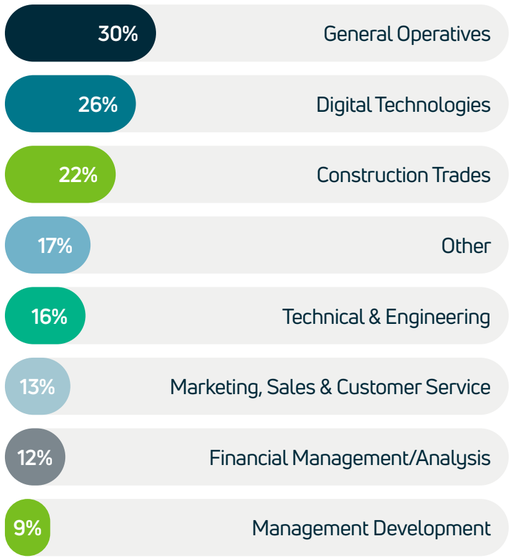


Future Skills & Talent Challenges

In relation to the skills requirement of your business, are you having any problems sourcing skills?

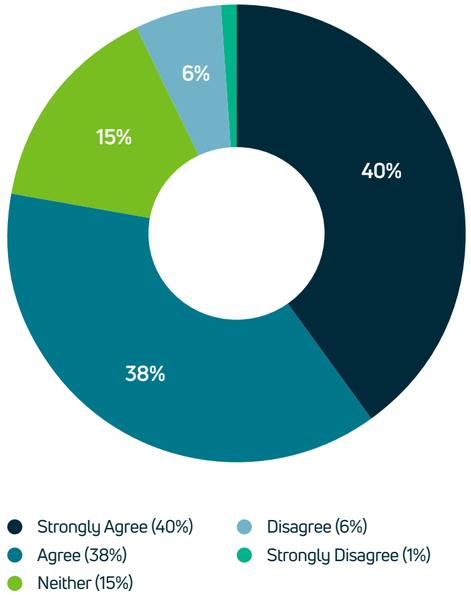


Which of the following skillsets is a challenge for your business to source?



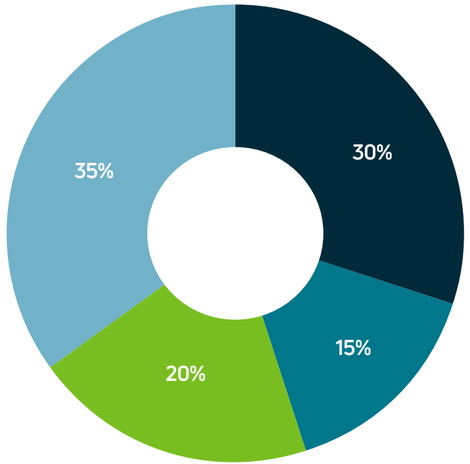
Talent Development Planning & Participation

For my business to be competitive, upskilling, reskilling, and talent development has become increasingly important.



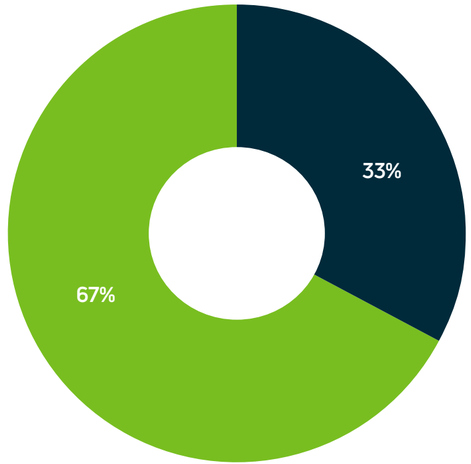
78% of businesses surveyed, **'Strongly Agree'** or **'Agree'** that, in order for their business to be competitive, upskilling, reskilling, and talent development has become increasingly important.

What percentage of your workforce recently engaged in upskilling/training?



- 51%+ (30%)
- 25% – 50% (15%)
- 1-24% (20%)
- Zero (35%)

Does your business have a talent development strategy in place?

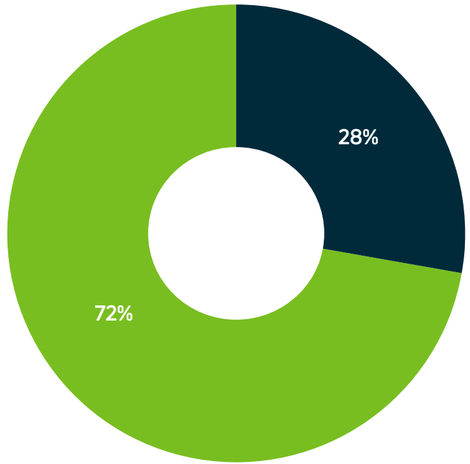


- Yes (33%)
- No (67%)

Talent Development Planning & Participation

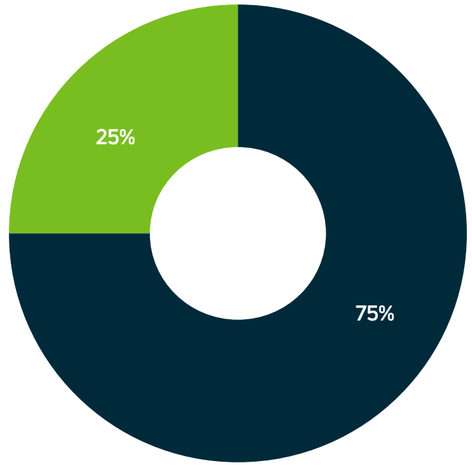
Does your business currently have a talent development strategy in place?

SMEs (0-250 Employees):



- Yes (28%)
- No (72%)

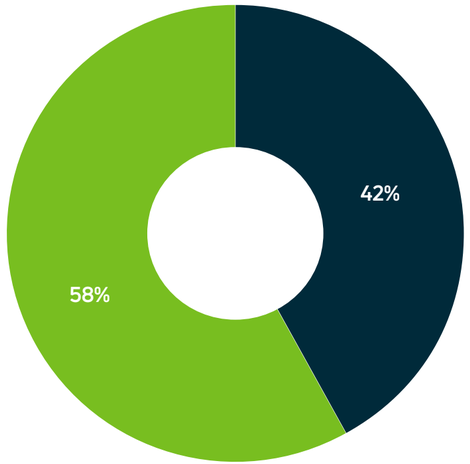
Large Businesses (250+ Employees):



- Yes (75%)
- No (25%)

Talent Development Planning & Participation

Have you taken any upskilling supports in the past twelve months?



- Yes (42%)
- No (58%)

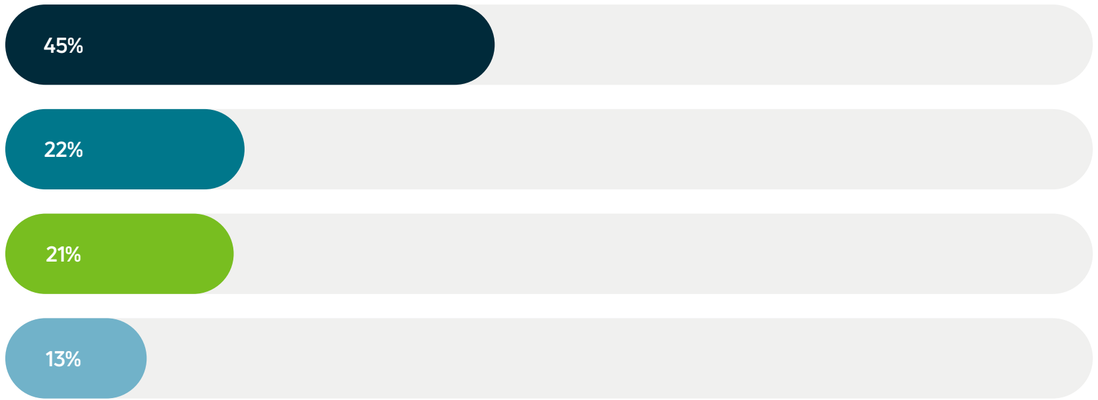
If so, what was the subject of your upskilling support?



Future Skills Challenges Opportunities & Barriers

What are the main barriers preventing staff from upskilling?

All Businesses:



- Existing Time Commitments (45%)
- Lack of Funding for Training Programmes (22%)
- Courses are not specific to my industry (21%)
- Unsure of existing training programme provision (13%)

What are the main barriers preventing staff from upskilling?

SMEs (0-250 Employees):



- Existing Time Commitments (51%)
- Lack of Funding for Training Programmes (23%)
- Courses are not specific to my industry (18%)

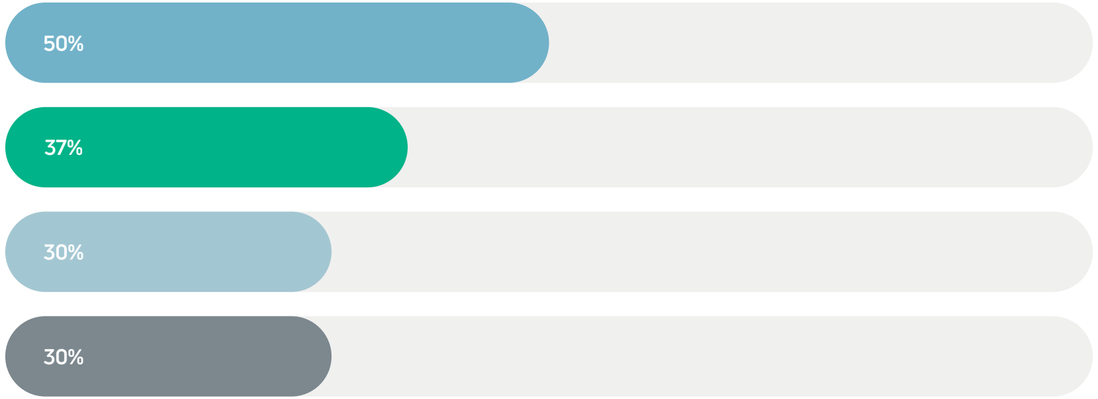
Large Businesses (250+ Employees):



- Existing Time Commitments (35%)
- Lack of Funding for Training Programmes (40%)
- Courses are not specific to my industry (41%)

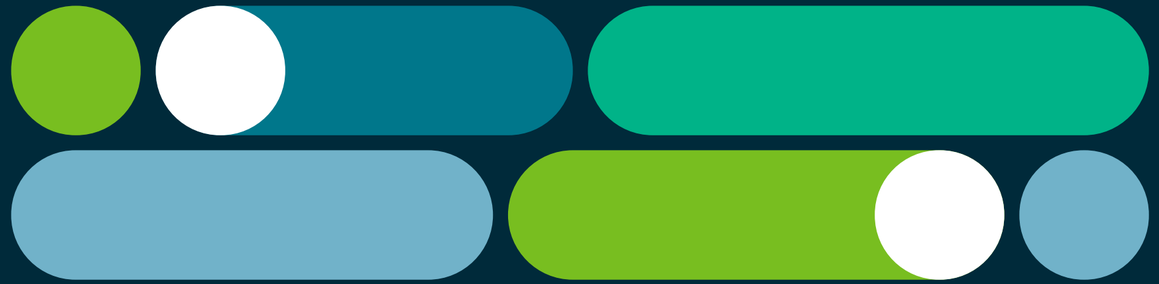
Future Skills Challenges Opportunities & Barriers

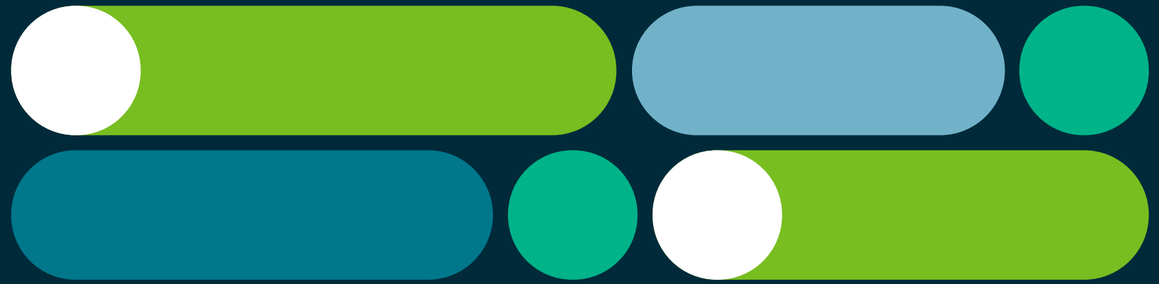
Which of the following solutions would encourage the uptake of upskilling and training programmes among employees?



- Increased grant aid and support to your business (50%)
- Better communication of available supports (37%)
- Increased dedicated support to your industry (30%)
- Dedicated training vouchers (30%)

Digitalisation & AI





A New Capability Divide

Ireland's ability to compete and prosper in a rapidly changing global economy will depend on the digital capabilities of its workforce. Digital skills have become a strategic priority for strengthening productivity, supporting innovation and enabling businesses to adapt to technological change. From AI adoption to digital transformation, organisations across all sectors require new skills to remain competitive. The research shows, however, that Irish businesses are not progressing through this transformation at the same pace.

Measuring Digital Maturity

As part of this year's research, Skillnet Ireland introduces Ireland's Talent Landscape Digital Intensity Index (DII). The Digital Intensity Index (DII) is a composite indicator developed by Eurostat that measures the extent to which enterprises adopt and use digital technologies. Ireland's Talent Landscape applies this methodology to help identify digitalisation trends and associated skills needs across Irish businesses.

The findings from over 750 respondents reveal varied levels of digital maturity across the business landscape. 52% of businesses consider themselves digitally advanced, reflecting the growing integration of digital tools and technologies into business operations. While 41% of Irish businesses demonstrate a high or very high level of digital intensity, according to the official Eurostat Digital Intensity Index, the majority operate at low or very low levels. Higher levels of digital intensity are particularly evident among larger employers, rising to 74% among businesses with more than 50 employees. This is also reflected among businesses planning to grow their workforce, with 55% of businesses planning to increase their staff numbers in the next 12 months reporting high levels of digital intensity. Digital intensity also varies by sector. For example, 51% of businesses operating in the manufacturing, technical and engineering sector reported high or very high digital intensity, compared with one-third of businesses in construction.

Digital Maturity Changes the Skills Challenge

The data also points to differing workforce challenges depending on an organisation's level of digital maturity. 52% of businesses with high digital intensity report that their core skills have changed and are more likely to experience skills gaps related to leadership capability and advanced digital technologies. In contrast, businesses with very low digital intensity are more focused on recruiting for traditional trades and general operative roles. This demonstrates that as organisations become more digitally advanced, their skills needs evolve from technical and operational skills towards leadership, technology adoption and innovation capabilities.

This is particularly relevant to large businesses, which are more likely to operate at higher levels of digital maturity. As digital transformation progresses, their skills needs increasingly extend beyond technical capability to include leadership and management, innovation, organisational change and the ability to embed new technologies effectively across the business. 77% of

Digitalisation & AI Talent & Upskilling

businesses with a headcount of more than 50 predict that up to half their workforce will need digital upskilling over the next 2-3 years in order to perform in their role.

SMEs are Navigating the Digital Transition Differently

SMEs demonstrate a varied picture of digital readiness. SMEs continue to lag behind larger, more mature organisations in overall digital adoption, with 57% of businesses with 10-49 employees describing themselves as digitally advanced, compared with 74% of larger organisations (50-250+ employees). Similarly, 43% of SMEs (10-49 employees) demonstrate a high or very high level of digital intensity according to the Digital Intensity Index compared with 74% of larger businesses (50-250+). 85% of SMEs (0-250 employees) expect employees to require some form of digital upskilling over the next 2-3 years, however this varies considerably by company size. Among micro-enterprises (0-10 employees), 26% expect more than three-quarters of employees to require digital upskilling, while 28% do not anticipate any requirement for digital skills development. This divergence suggests that awareness of digital skills needs remains uneven.

Microsoft Office is cited by micro-enterprises as their most in-demand digital skillset for business growth at 64%. Among businesses employing 10 to 49 people, 60% identify cloud computing as a key area for upskilling, while larger organisations employing 250+ employees, show greater interest in advanced applications, including virtual reality and big data analytics.

Overall, the findings reinforce the importance of supporting businesses at different stages of digital maturity. As organisations continue to adopt new technologies, investment in digital capability will be essential to enabling productivity growth, supporting AI-enabled transformation and ensuring businesses can fully realise the opportunities presented by digital transformation.

Bridging the Gap Between AI Potential and Preparedness

Artificial Intelligence (AI) has moved from emerging technology to practical business application, with more than one-third of businesses already using AI technologies. Businesses increasingly recognise AI's potential to enhance productivity, improve decision-making and strengthen competitiveness. Awareness of AI is increasing, but greater employer investment in workforce skills and capabilities is needed to ensure businesses can fully harness its potential, particularly as 53% of those who are using AI are also planning to increase staff numbers in the next 12 months.

The research highlights a strong relationship between digital maturity and AI readiness. Among businesses with a very high score on Ireland's Talent Landscape Digital Intensity Index, 82% believe AI will have a significant or transformative impact on their organisation within the next one to two years. Organisations with stronger digital capabilities are more likely to embrace AI technologies, recognise their value and identify upskilling needs to support future application. This reinforces the view that digital transformation and AI adoption are closely interconnected

Digitalisation & AI Talent & Upskilling

strategic priorities and that true digital maturity is the foundational launchpad for meaningful AI engagement.

Attitudes towards AI are generally positive across the business community. Almost half of micro-enterprises (47%) view AI as more of an opportunity than a threat, reflecting growing confidence in its ability to support business performance and innovation. Increasingly, organisations are viewing AI as an enabler of wider digital transformation, organisational resilience and long-term growth.

Despite this growing awareness, an AI skills gap is emerging. While businesses recognise AI's potential, only 27% plan to invest in AI upskilling over the next 12 months. Among those identifying AI-related training needs, AI content generation and prompt engineering is the most frequently cited capability, highlighted by 35% of respondents. This points to growing demand for practical skills that enable employees to use AI tools effectively and productively in their day-to-day roles.

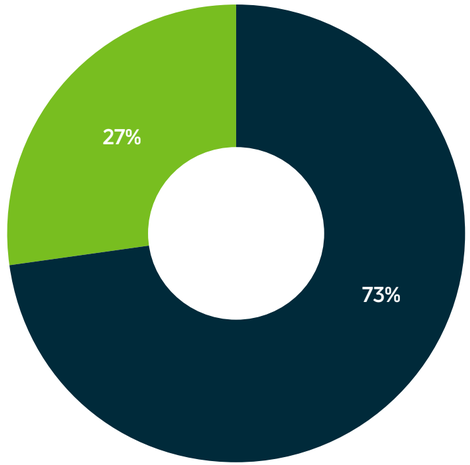
The findings suggest that the principal barrier to AI-related workforce development is strategic prioritisation. Among businesses with no plans to invest in AI upskilling, 56% state that AI is not currently a strategic business priority. This indicates a possible disconnect between recognising AI's potential impact and taking practical steps to prepare the workforce for its adoption. Many organisations furthermore identify regulatory uncertainty and data security as key barriers to wider AI adoption. These challenges are particularly pronounced among larger businesses (50–250+ employees). 49% are concerned about regulatory uncertainty, while 56% are unsure how best to integrate AI into their business operations and 35% feel there is insufficient support or understanding from leadership.

Overall, the research points to a growing gap between AI awareness and AI preparedness. As adoption accelerates, businesses will need to move beyond recognising AI's potential and focus on building the workforce capabilities required to implement and use AI effectively. Supporting organisations to strengthen digital maturity, develop AI literacy and embed AI within broader workforce strategies will be critical to ensuring businesses can fully realise the productivity, innovation and competitiveness benefits of AI.

Organisations with stronger digital capabilities are more likely to embrace AI technologies, recognise their value and identify upskilling needs to support future application.

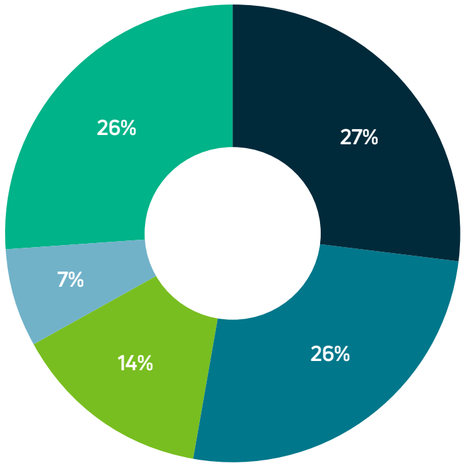
Digital Upskilling Needs

Will your business' workforce need digital upskilling in the coming two to three years?



- Yes (73%)
- No (27%)

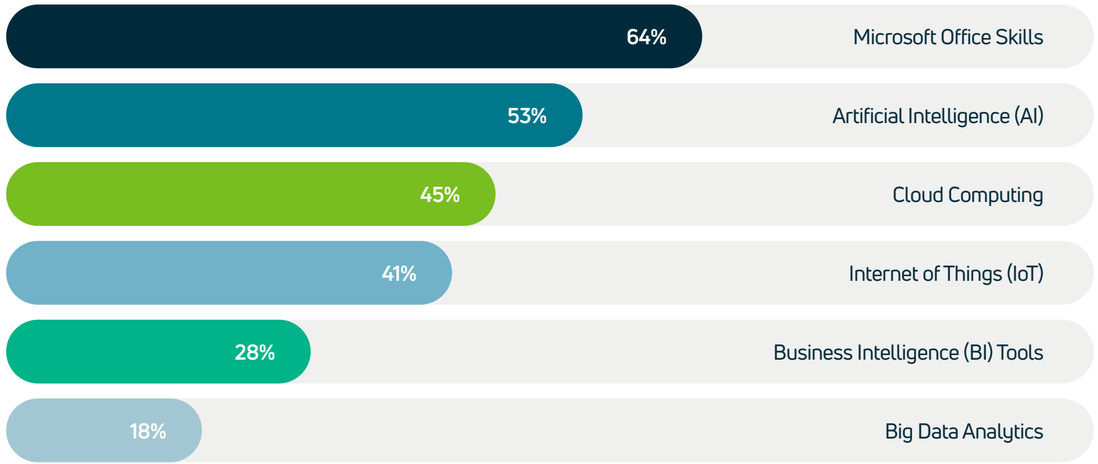
What percentage of your workforce is likely to require digital skill supports in the coming years?



- Zero (27%)
- 1-24% (26%)
- 25-50% (14%)
- 51-75% (7%)
- 76-100% (26%)

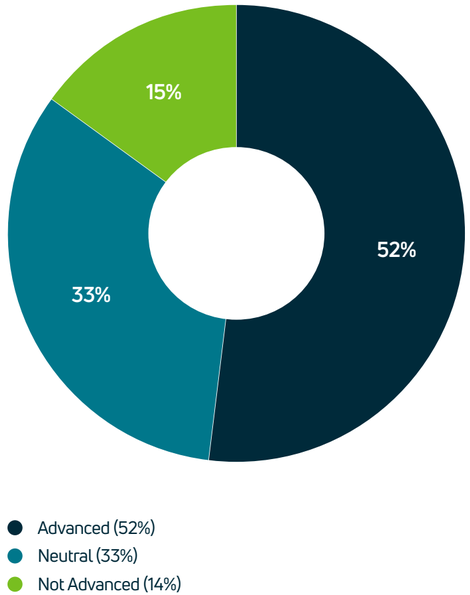
Digital Upskilling Needs

Which of the following digital and data skills have the potential to grow your business in the coming years?

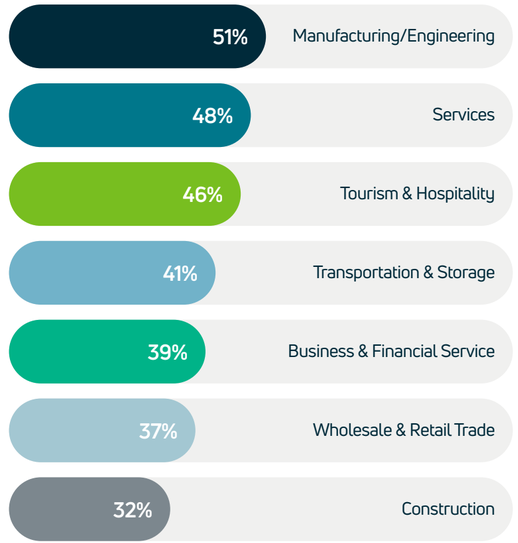


Digital Intensity Index

How digitally advanced do you consider your business to be?



Leading Sectors in Digital Adoption

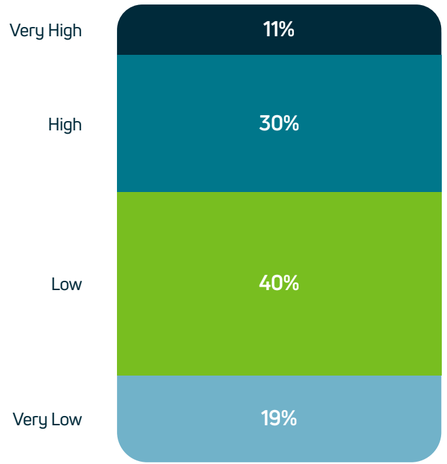


The Digital Intensity Index: Key Indicators

		Employees		
		<10	10-49	50-250+
More than half of employees use computers etc. for business purposes.	83%	84%	79%	84%
Business has a fixed-line internet of at least 30Mbit/s	87%	87%	92%	96%
Business has own website	78%	77%	90%	97%
Website does more than provide information	37%	37%	30%	31%
Business uses social media platforms	68%	67%	75%	96%
Business uses Enterprise Resource Planning (ERP) software	38%	37%	48%	68%
Customer Relationship Management (CRM) software	28%	27%	34%	29%
Business uses paid cloud computing services	55%	55%	55%	76%
Business uses any form of Artificial Intelligence (AI) technology	37%	37%	33%	28%
Business makes any online sales	27%	27%	35%	19%
Online sales included to businesses or public sector	11%	10%	24%	13%
Business employs an ICT specialist	46%	45%	58%	74%

Digital Intensity Index

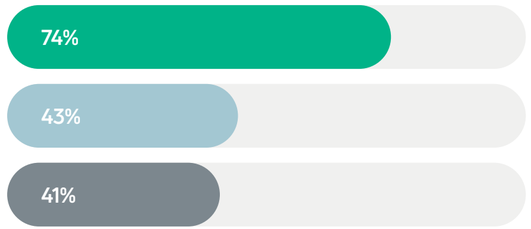
Irish Businesses' Level of Digital Intensity



The Digital Intensity Index (DII) is based on an official benchmark developed by Eurostat (the EU's statistical office) to measure how effectively businesses are using a range of digital technologies.

41% of businesses surveyed demonstrate a high or very high level of digital intensity.

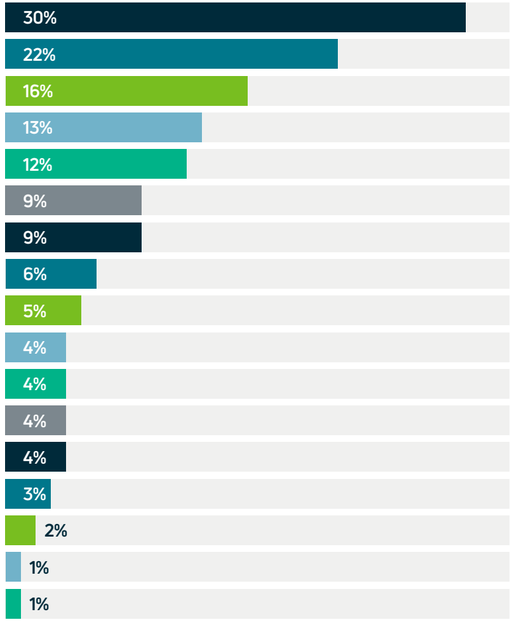
'High' or **'Very High'** level of digital intensity by business size:



- 50-250+ Employees (74%)
- 10-49 Employees (43%)
- <10 Employees (41%)

Digital Intensity Index

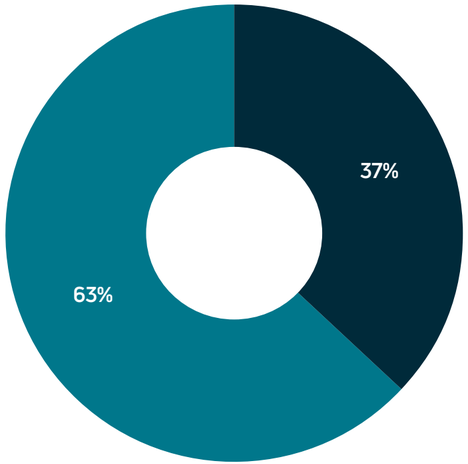
The Digital Intensity Index: Different Skills Gaps



	Digital Intensity Index		
	Very low	Low	High/ Very high
General Operative	32%	33%	26%
Construction Trades	47%	24%	5%
Technical & Engineering	13%	17%	17%
Marketing, Sales & Customer Service	13%	10%	16%
Financial Management	13%	10%	14%
Digital Technologies	-	9%	13%
Leadership & Management Development	1%	3%	20%
Climate Action & Sustainability	-	5%	11%
Supply Chain Management	-	5%	7%
Cyber Security	9%	2%	3%
Regulatory & Compliance	-	10%	3%
Advanced Manufacturing	9%	5%	2%
Hospitality Roles (Chefs / Front-of-House)	-	1%	9%
Logistics	8%	3%	1%
Data Analysis & Business Intelligence	-	2%	4%
Microsoft 365	-	0%	1%
Artificial Intelligence (AI)	-	2%	2%

Future Skills Needs Artificial Intelligence

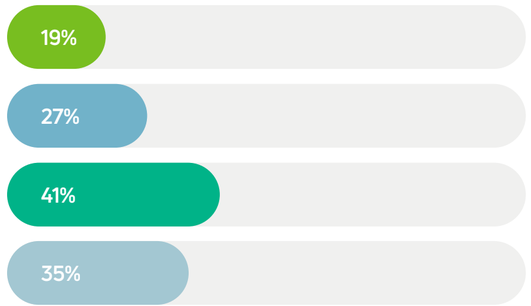
Does your business currently use any form of Artificial Intelligence (AI) technology?



- Yes (37%)
- No (63%)

37% of businesses surveyed said, yes, they do currently use Artificial Intelligence (AI) technology.

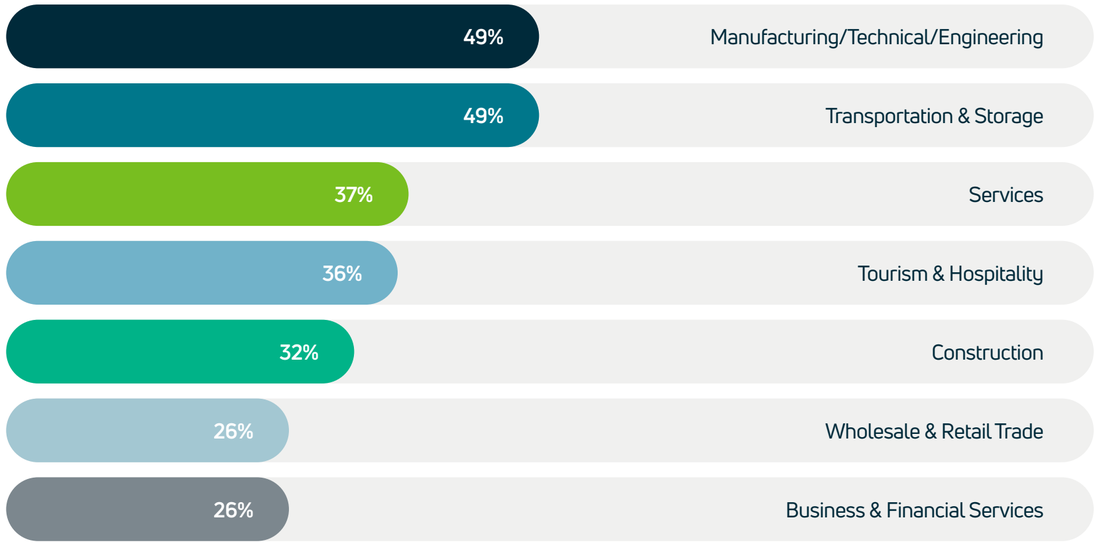
'Yes' by business size:



- 250+ employees (19%)
- 50-250 employees (27%)
- 10-49 Employees (41%)
- <10 Employees (35%)

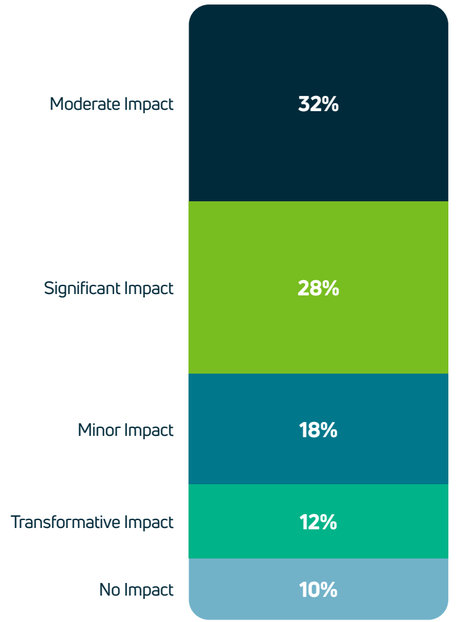
Future Skills Needs Artificial Intelligence

Percentage of Businesses Using AI Technology by Sector:

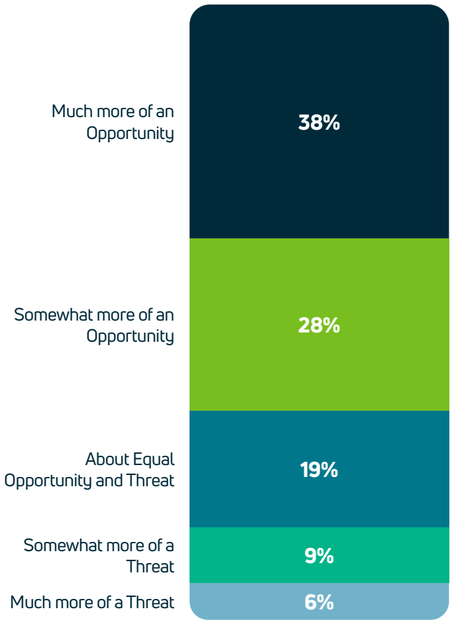


Future Skills Needs Artificial Intelligence

How would you rate the potential impact of AI on your industry in the next five years?

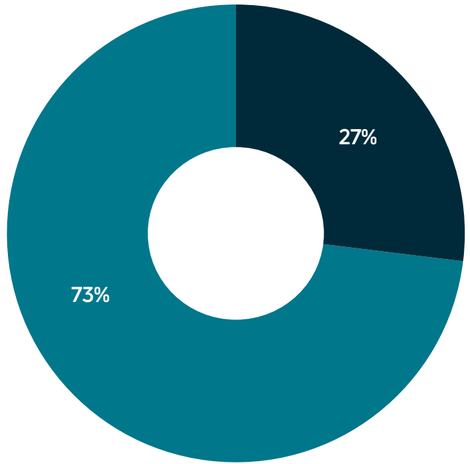


Do you feel AI presents more of an opportunity or a threat to your business in the next one to two years?



Future Skills Needs Artificial Intelligence

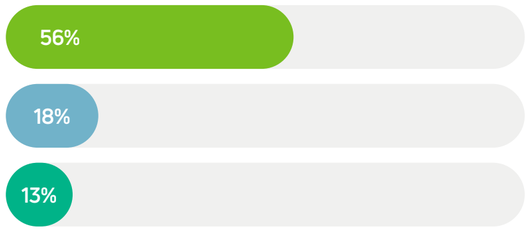
Are you planning to invest in upskilling your employees in AI over the next 12 months?



- Yes (27%)
- No (73%)

73% of businesses surveyed said, no, they are not planning to invest in upskilling their employees in AI over the next 12 months.

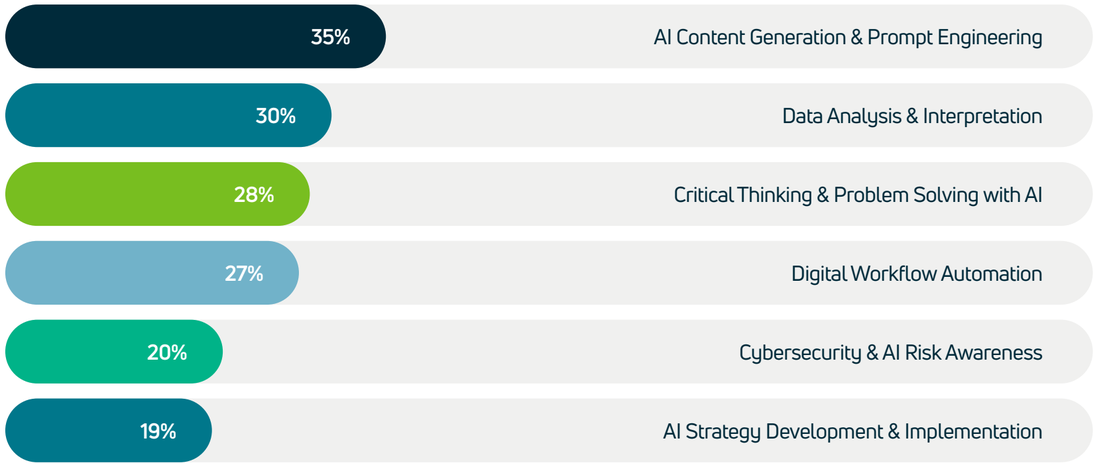
Within '**No**', businesses cited the following reasons:



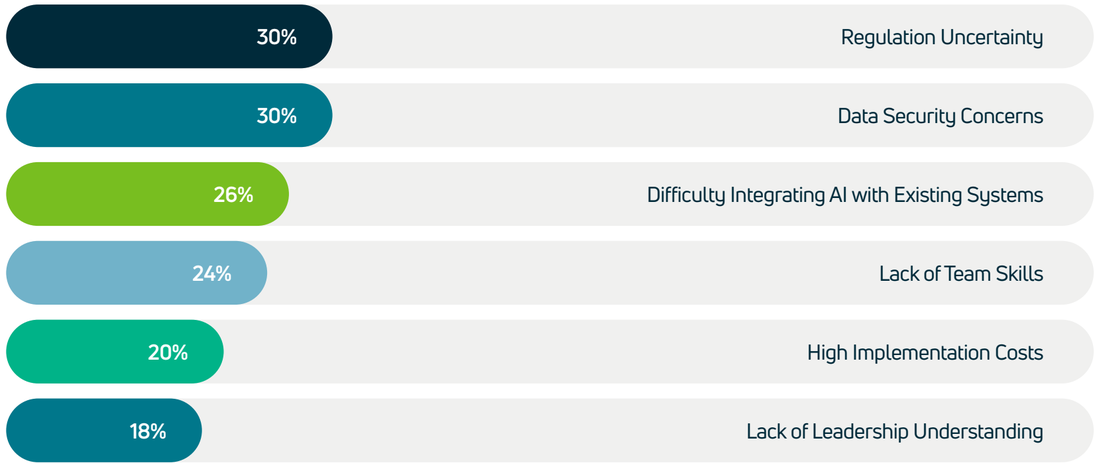
- It is not a strategic priority for us right now (56%)
- We are unsure what specific AI skills our business needs (18%)
- The cost of training is too high (13%)

Future Skills Needs Artificial Intelligence

Which of the following AI-related skills will be most important for your employees to develop?



What are the main barriers to adopting AI more widely in your business?

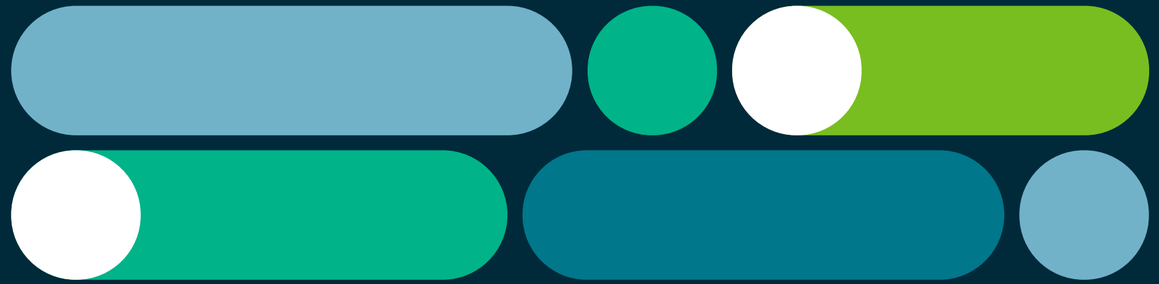


Future Skills Needs Artificial Intelligence

The Digital Intensity Index: AI Enabler

	Total	Digital Intensity Index			
		Very Low	Low	High	Very High
AI will have **significant/transformative impact** on our industry in the next 5 years	47%	28%	41%	54%	82%
Business **currently uses** any form of Artificial Intelligence (AI) technology	36%	4%	30%	54%	66%
AI presents **more of an opportunity than a threat** to business in the next 1-2 years	47%	28%	41%	54%	82%
Planning to invest in upskilling employees in AI over the next 12 months	27%	2%	20%	44%	43%

Climate Action
& Sustainability





A Changing Sustainability Skills Landscape

Climate action and sustainability continue to shape the future skills agenda. Rather than viewing sustainability solely as a compliance requirement, businesses are increasingly recognising its potential to drive innovation, productivity and broader business transformation. This is shifting the focus from simply building sustainability awareness to developing practical capabilities that can deliver tangible business value.

However, the urgency around large-scale sustainability upskilling has eased since 2025. This year, 24% of businesses anticipate that more than half of their employees will require climate action and sustainability upskilling, compared with 33% in 2025. At the same time, 39% of businesses do not anticipate any need for upskilling, an increase of five percentage points from last year. The findings suggest that, while sustainability remains strategically important, businesses are less likely to see it as an immediate, workforce-wide skills priority.

For businesses that do see a significant need, the emphasis is increasingly on practical sustainability capabilities that can deliver measurable outcomes, from improving energy efficiency to navigating complex policy and environmental regulations. Navigating policy and regulatory requirements is the most commonly cited challenge across all businesses in moving towards a more sustainable future (32%). For larger firms (50-250+ employees), this is compounded by a broader set of operational and financial pressures, with access to finance (52%), shortages of skilled workers (48%), and the ability to measure emissions (41%) among their most critical hurdles.

While sustainability remains strategically important, businesses are less likely to see it as an immediate, workforce wide skills priority.

Skills shortages remain a barrier but are less prominent than last year. While 24% of businesses of all sizes identify a lack of skilled workers as a key challenge to adopting more sustainable practices, this is considerably lower than the 66% reported last year. The need for climate action and sustainability upskilling is also more concentrated among larger businesses. 43% of large businesses (50-250+ employees) anticipate a need for upskilling, compared with 15% of micro-enterprises and 20% of SMEs (10-49 employees). This suggests that the sustainability skills challenge is increasingly targeted rather than universal, reflecting the greater scale and complexity of change in larger organisations. It may also reflect the narrowing scope of the Corporate Sustainability Reporting Directive (CSRD), which has placed many Irish companies, particularly SMEs, outside the scope of mandatory EU sustainability reporting, in line with the EU Omnibus Simplification Package.

Building Sustainability Capabilities for Business Value

Despite the easing in overall upskilling demand, businesses continue to see clear value in specific sustainability skills. Organisations are looking to sustainability-related skills to improve efficiency, strengthen resilience and create competitive advantage through innovation. This is particularly evident among larger organisations. Among businesses with more than 50 employees (50-250+ employees), energy efficiency (76%), policy and regulation (71%), and innovation and creativity (65%) are the three sustainability-related skill areas most likely to support business growth over the next two to three years.

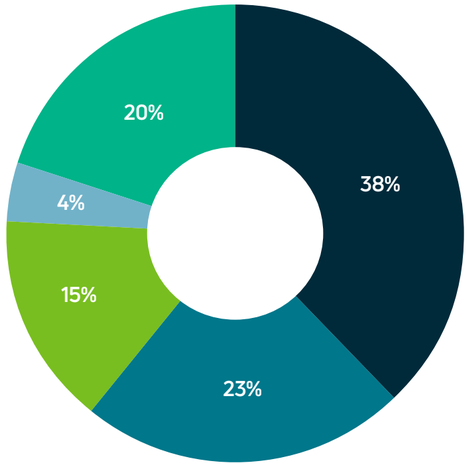
The findings point to a shift from broad-based sustainability upskilling towards more targeted capabilities that support operational improvement and growth. The strategic importance of managing environmental risk, strengthening operational resilience and meeting stakeholder expectations is reflected across businesses of all sizes. 49% report that over half of their employees will require upskilling in environmental project management.

The same proportion identify environmental science, while 42% identify green marketing, as areas where more than half of their employees will require upskilling. Circular economy skills are also recognised as an important driver of business growth by 42% of businesses, followed by sustainable supply chain management (36%), with demand for both skills particularly pronounced in the tourism and hospitality sector.

Climate Action Talent & Upskilling

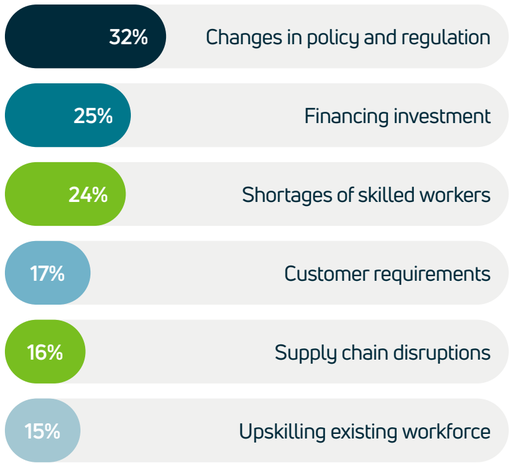
Organisations are looking to sustainability-related skills to improve efficiency, strengthen resilience and create competitive advantage through innovation.

What percentage of your workforce is likely to require climate action and sustainability upskilling supports in the coming years?



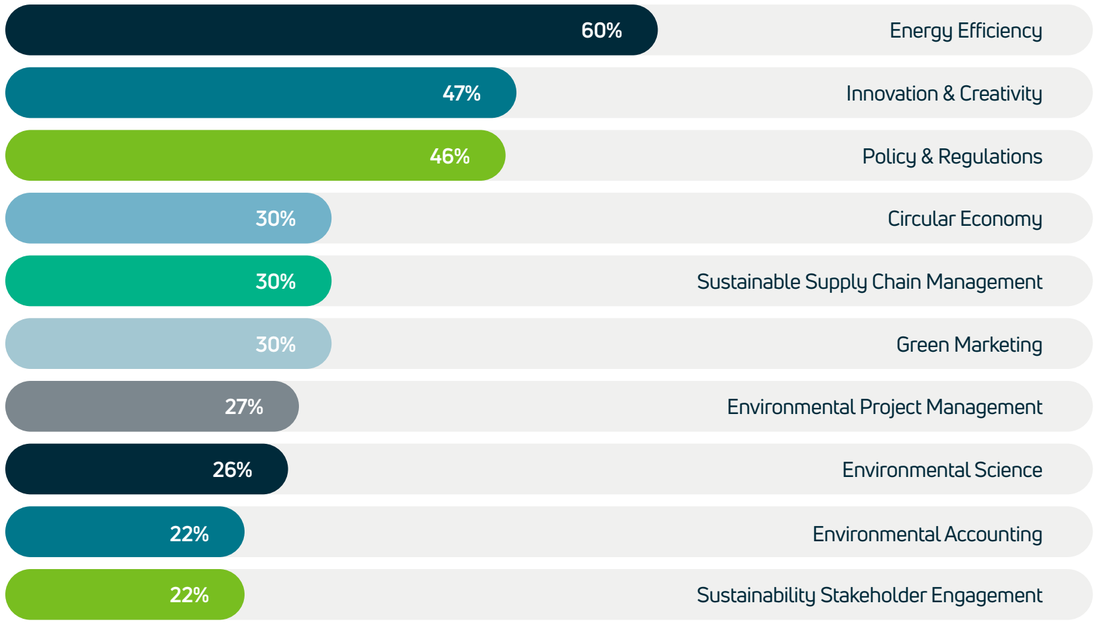
- Zero (38%)
- 1-24% (23%)
- 25-50% (15%)
- 51-75% (4%)
- 76-100% (20%)

What are the key challenges in moving towards a sustainable future?

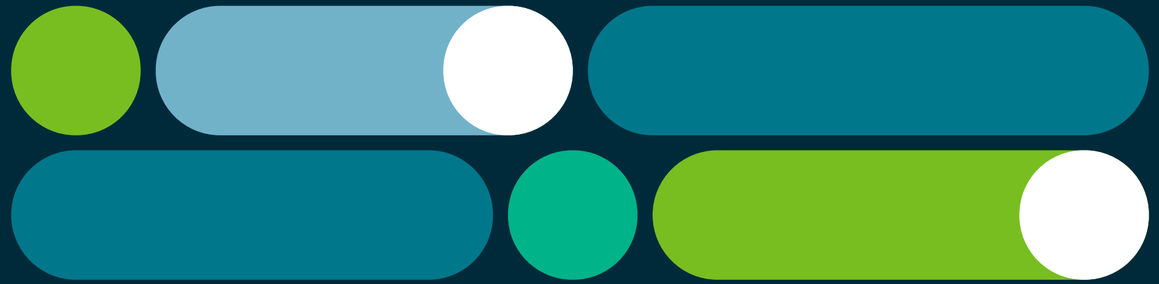


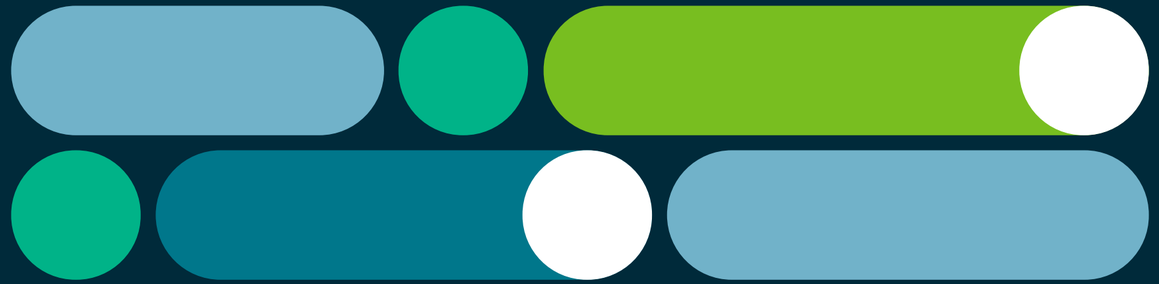
Climate Action Talent & Upskilling

Which of the following climate action and sustainability skills have the potential to grow your business in the coming years?



Conclusion





Conclusion

Ireland's businesses remain resilient and confident, but the sources of future competitiveness are changing. The findings of Ireland's Talent Landscape 2026 show that talent remains the foundation of growth, with access to skilled people continuing to be a critical business enabler. At the same time, the skills required by businesses are changing rapidly as organisations respond to technological transformation, artificial intelligence, sustainability and evolving market conditions. This creates a shift in the nature of the talent challenge.

Businesses increasingly need to build capability as well as recruit it. They need to anticipate future skills requirements, develop existing employees and create workforce strategies that are connected to wider business objectives. The research also highlights an emerging digital capability divide. Organisations with stronger digital foundations are better positioned to adopt AI, identify emerging skills needs and respond to technological change. Businesses at earlier stages of digitalisation face different challenges and require different pathways to develop capability.

Across all of these areas, however, one issue cuts through the findings: the gap between awareness and action. Employers understand the importance of workforce development. 78% identify upskilling as a strategic priority and consider it important for future success. Yet participation in training remains constrained by time, cost, relevance, accessibility and strategic prioritisation. Closing this gap will be essential.

The competitiveness challenge for Ireland is therefore not simply to identify the skills businesses need. It is to create the conditions in which businesses of every size and level of maturity can act on that knowledge. That means making learning more flexible and accessible; ensuring provision is relevant to the needs of different industries and businesses; strengthening awareness of available supports; and helping organisations connect workforce development with business strategy.

At a time when Ireland holds the Presidency of the Council of the European Union and next-generation capability is a central focus of the European agenda, continued investment in skills will be critical to productivity, innovation and economic resilience. The findings of this report will help inform the implementation of Skillnet Ireland's strategy to build next-generation capability. With a focus on workforce transformation, leadership development, digital and AI adoption, sustainability and enterprise innovation, Skillnet Ireland will continue to work with businesses and industry to anticipate emerging skills needs and develop practical responses.

No single organisation can address these challenges alone. Enhanced collaboration between enterprise, government, education and the wider skills ecosystem will be essential to ensure that learning opportunities remain responsive to the needs of Ireland's economy and workforce. As the national workforce development agency of the Government of Ireland, Skillnet Ireland is committed to working with the Department of Further and Higher Education, Research, Innovation and Science, enterprise stakeholders, industry partners and the tertiary sector to deliver responsive and impactful workforce development solutions.

Conclusion

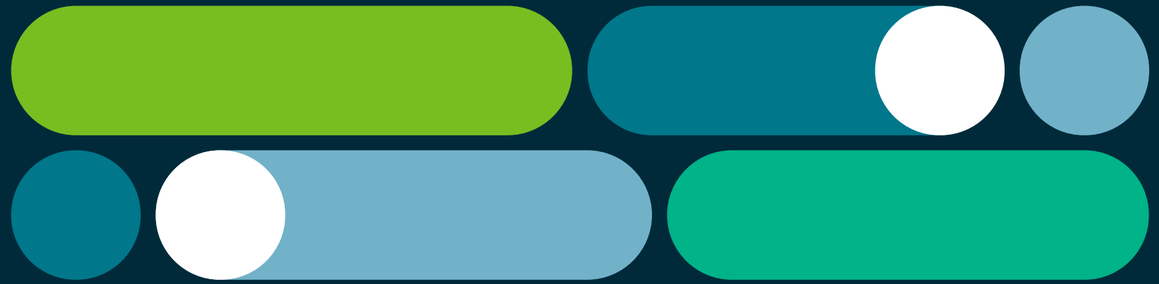
The future competitiveness of Ireland will depend on how effectively businesses can adapt, innovate and grow. At the heart of that ability will be the skills and capabilities of people.

A highly skilled workforce is Ireland's greatest competitive advantage. In a pivotal year for Ireland and Europe, Skillnet Ireland is equipping businesses and people with the skills needed to drive innovation, productivity and sustainable growth.



PHOTO: Technology Ireland ICT Skillnet Graduates celebrating their graduation from three programmes developed in partnership with TU Dublin – the MSc in Leadership, Innovation and Technology, MSc in Software Solutions Architecture, and the MSc in DevOps.

Sectors We Support





Sectors We Support

Advanced Manufacturing

First Polymer Training Skillnet
ICBE Advanced Productivity Skillnet
ICBE Business Excellence Skillnet
Irish Medtech Skillnet
MIDAS Electronic Systems Skillnet

Agri-Food

Farm Business Skillnet
Food Drink Ireland Skillnet
ICOS Skillnet
Macra Agricultural Skillnet
National Organic Training Skillnet
Rural Food Skillnet
Taste 4 Success Skillnet
XL Vets Skillnet

Bio-Pharmaceuticals

BioPharmaChem Skillnet
Irish Medtech Skillnet

Construction

CitA Skillnet
Construction Professionals Skillnet
Industry 4.0 Skillnet
Skillnet MMC Accelerate

Digital/Technology

itag Skillnet
MIDAS Electronic Systems Skillnet
Tech Industry Alliance Skillnet
Tech Northwest Skillnet
Technology Ireland ICT Skillnet
Technology Ireland DIGITAL Skillnet
Skillnet Innovation Exchange

Engineering

Aviation Skillnet
Engineering Skillnet
MIDAS Electronic Systems Skillnet
Space Industry Skillnet

Financial Services

Chartered Accountants Ireland Skillnet
Insurance Skillnet
International Financial Services (IFS) Skillnet
Law Society Skillnet

Food & Drink

Food Drink Ireland Skillnet
National Organic Training Skillnet
Rural Food Skillnet
Taste 4 Success Skillnet

Global Business Services

Next Level Skillnet
Technology Ireland ICT Skillnet

Green/Energy

Green Tech Skillnet
Sustainable Enterprise Skillnet
Skillnet Climate Ready Academy
Skillnet Offshore Wind Academy

Logistics & Transport

CILT Mobility & Supply Chain Skillnet
SIMI Skillnet

Media/Creative

Cultural & Creative Industries Skillnet
Design Skillnet
Design, Print & Packaging Skillnet
Gréasán na Meán Skillnet
Learning Waves Skillnet

Medical Technology

Irish Medtech Skillnet

Sectors We Support

Professional Services

Chartered Accountants Ireland Skillnet
Employment & Recruitment Federation (ERF) Skillnet
Insurance Skillnet
IRDG Innovation Skillnet
ISME Skillnet
Law Society Skillnet
L&D Skillnet
Sustainable HRM Skillnet
MentorsWork

Retail

ISME Skillnet
Retail Ireland Skillnet

Services

IMAGE Skillnet
ISME Skillnet
Leading Healthcare Providers Skillnet
Midland Border East Skillnet

Tourism, Hospitality & Leisure

Irish Hotels Federation Skillnet
Leisure, Health & Fitness Skillnet
Restaurant & Hospitality Skillnet

Mixed Sector Business Networks

Carlow Kilkenny Skillnet
Cork Chamber Skillnet
County Tipperary Chamber Skillnet
County Wexford Chamber Skillnet
Dundalk Chamber Skillnet
Fingal Chamber Skillnet
Galway Executive Skillnet
IRD Duhallow Skillnet
Limerick Chamber Skillnet
M1 Drogheda Chamber Skillnet
Midland Border East Skillnet
Next Level Skillnet
Positive2Work Skillnet
Rural Enterprise Skillnet
Shannon Chamber Skillnet
Sligo Chamber Skillnet
South Kerry Skillnet
South West Gnó Skillnet
Tech Northwest Skillnet
Waterford Chamber Skillnet

Talent Initiatives

MentorsWork
Skillnet Climate Ready Academy
Skillnet Innovation Exchange
Skillnet MMC Accelerate
Skillnet Offshore Wind Academy

About Skillnet Ireland

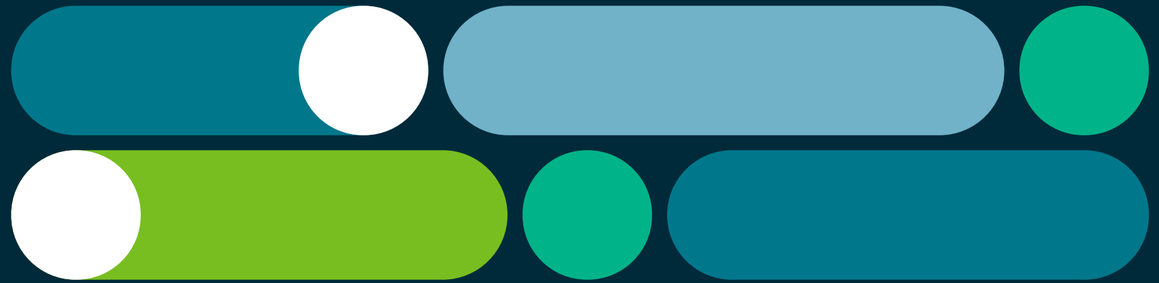
Skillnet Ireland is the national workforce development agency of Ireland. In partnership with industry bodies, our Skillnet Business Networks and National Initiatives deliver subsidised upskilling programmes and business supports to companies of all sizes.

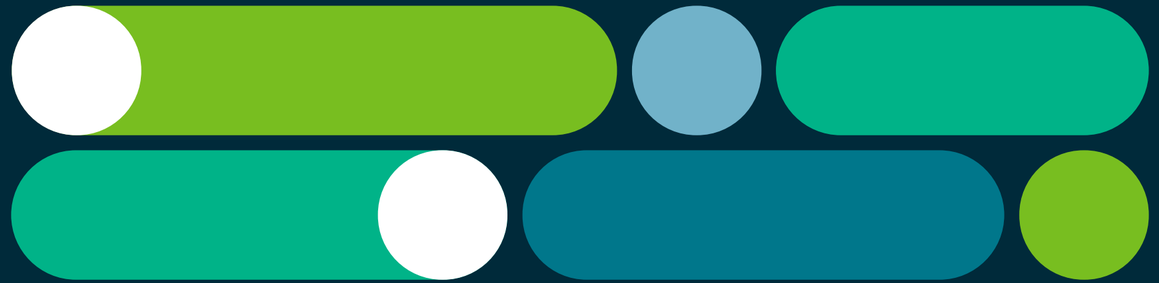
Contact the Skillnet Business Networks in your sector or region for details of our upskilling supports.

To learn more about the Skillnet Ireland model and business supports we offer visit:

www.skillnetireland.ie

Your business is our business. We are here to help.





Skillnet Ireland

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Skillnet Ireland

Rialtas na hÉireann
Government of Ireland

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