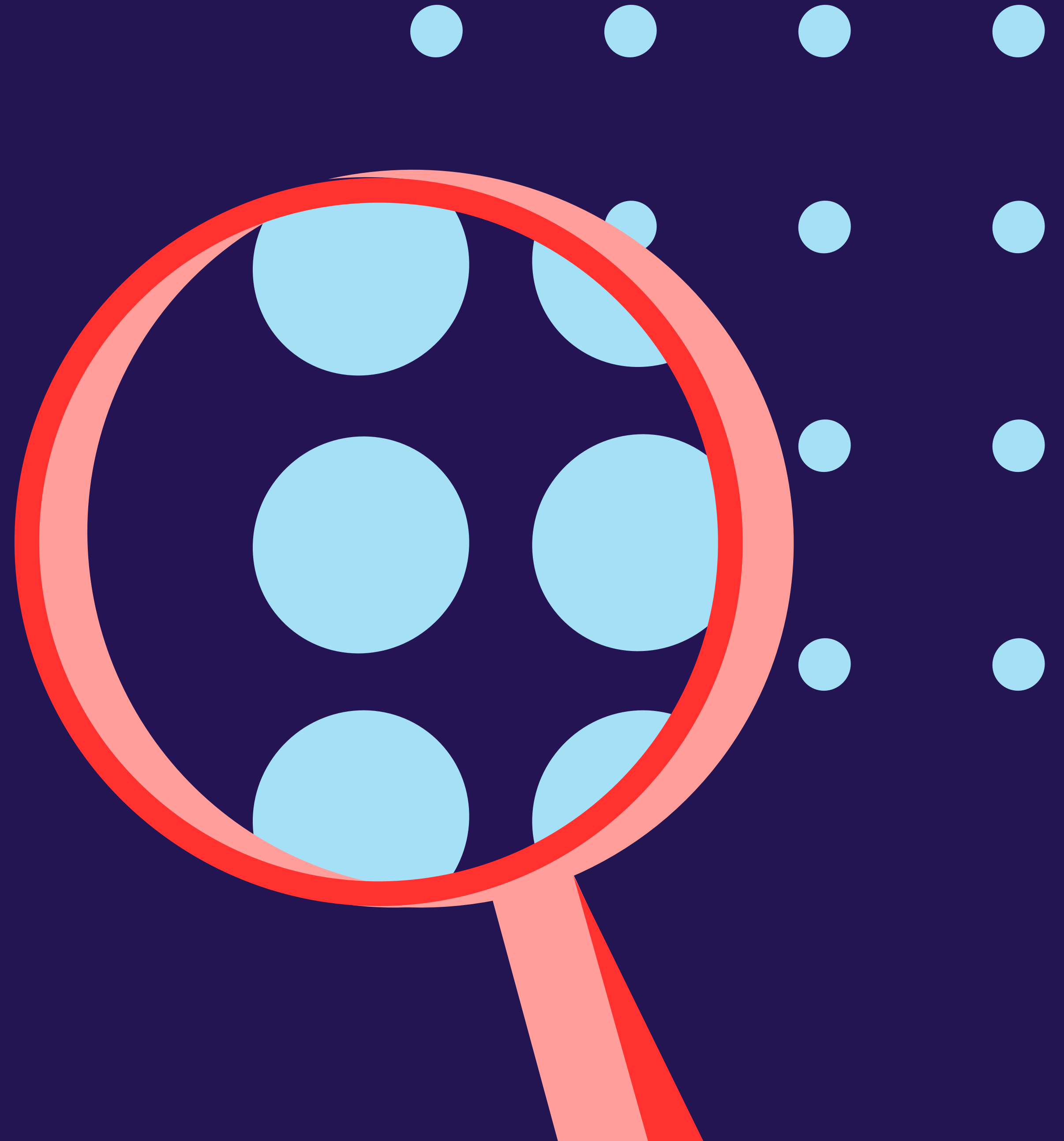


Ibec Talent, Trends and Pay Survey

Workplace Trends and Insights

October 2026



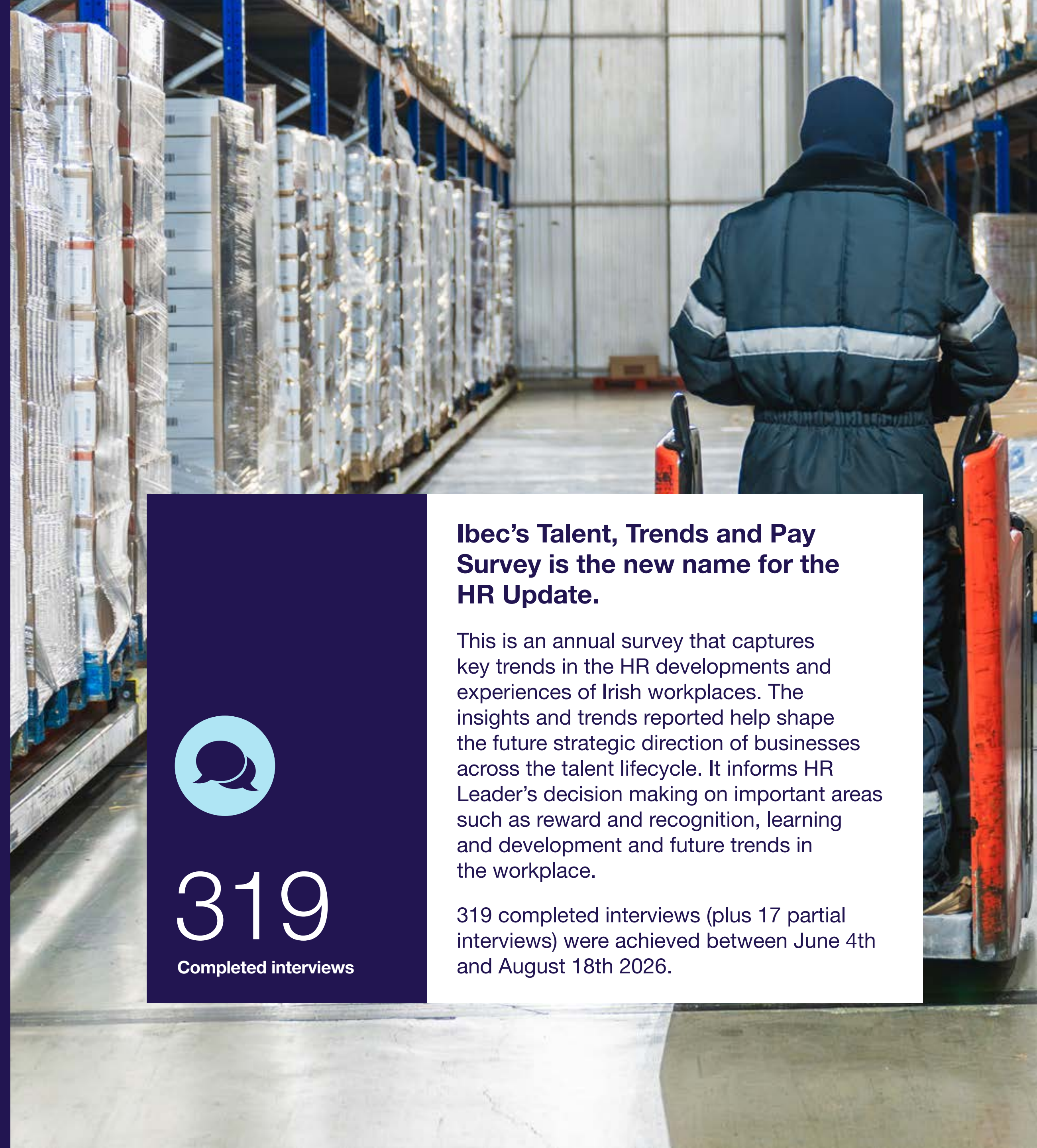
Impactful Partner

Super charge your business with access to our leading employer relations, employment law and HR management experts.

We partner with you to provide:

- Advice and support on employment law, industrial relations and HR policies and procedures
- Advice on occupational safety, health and welfare at work
- Research and insights into HR strategy and future trends and employment policy development
- Representation at the Workplace Relations Commission and Labour Court as part of membership
- Representation in industrial relations disputes
- Access to Ibec's online HRM Guide: The A-Z of employment lifecycle management with implementation guidelines offering practical applications of employment law along with sample policies, procedures, contracts, forms and checklists

Ibec Talent, Trends and Pay Survey



319

Completed interviews

Ibec's Talent, Trends and Pay Survey is the new name for the HR Update.

This is an annual survey that captures key trends in the HR developments and experiences of Irish workplaces. The insights and trends reported help shape the future strategic direction of businesses across the talent lifecycle. It informs HR Leader's decision making on important areas such as reward and recognition, learning and development and future trends in the workplace.

319 completed interviews (plus 17 partial interviews) were achieved between June 4th and August 18th 2026.

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Foreword

Welcome to Ibec's 2026 Talent Trends & Pay Survey.

This report, shaped by the insights of senior HR leaders across all sectors of the Irish economy, navigates a landscape of steady consolidation: a resilient labour market that remains solid, but is increasingly focused on managing operating cost pressures, structural readiness, and resourcing flexibility.

This year's findings reflect a softening but resilient employment landscape. Headcount projections are levelling out. 35% of businesses expect to increase headcount this year, down from 37% last year, planning an average headcount growth of 7.2%, thus a drop also in the scale of growth projected. Where headcount reductions are expected, the average projected reduction is 5.5%, down from 12.6% last year. This suggests that while recruitment is becoming more targeted, retention remains a core priority for organisations seeking to preserve stability.

Wage pressures remain a significant focus for employers. In 2026, basic pay increases averaged 3.5%. Looking ahead to 2027, pay expectations show signs of moderation, with the projected average increase easing to 3.1%. While this moderation indicates a stabilising trend, the relative consistency of pay increases in recent years highlights that competition for key skills and talent remains high, even as companies work to manage their operating costs.

A significant area of focus this year is the shifting landscape of occupational benefits, driven by the introduction of pension auto-enrolment. We have observed a 12% increase in the number of organisations operating

an occupational pension scheme. There has been a notable 19% uplift in voluntary schemes transitioning to a mandatory structure, as employers align and simplify their retirement offerings in response to legislation.

In response to labour cost pressures, organisations are adapting their resourcing strategies to balance cost control with operational agility. For those planning to expand headcount, there is a projected increase in the use of temporary, agency workers alongside permanent hires. Conversely, headcount reductions are primarily being managed through natural attrition—such as the non-backfilling of vacant roles—or by reducing the use of independent contractors. Notably, the drivers behind headcount growth show a strong commitment to long-term sustainability, with businesses hiring to build their future talent pipeline and address new skill requirements. This is taking place alongside reorganisation of work driven by digital transformation and AI integration, as organisations seek to enhance operational efficiencies.

We hope this report provides the data-driven guidance and insights necessary for your strategic decision-making in the year ahead.



Maeve McElwee
Executive Director,
Employer Relations, Ibec

Key Insights



85% of organisations increased basic pay rates in 2026 with the average basic pay rate increase being **3.5%**



The **forecast for 2027** is slightly more conservative with **83%** of businesses planning to increase pay by an average of **3.1%**



35% of businesses intend to **increase** headcount in 2027



77% of respondents employ Non-EEA nationals



The most common driver of organisations work model is productivity and outcome alignment. **44%** are not measuring the effectiveness of their hybrid / remote model



36% of businesses have not yet modelled the impact AI will have on their workforce structure



The EU Pay Transparency Directive is regarded as the most impactful development with **68%** including it in their top 3. Yet **32%** of respondents have minimal or no preparations in place for its introduction



23% of organisations say they have a significant leadership vacuum. **38%** stated this was due to no formal succession planning in place and **32%** state this is due to unclear career progression

*: A low sample size

N: Number

To note: due to rounding, percentage in tables may not add to 100%

Section 1

Pay Trends

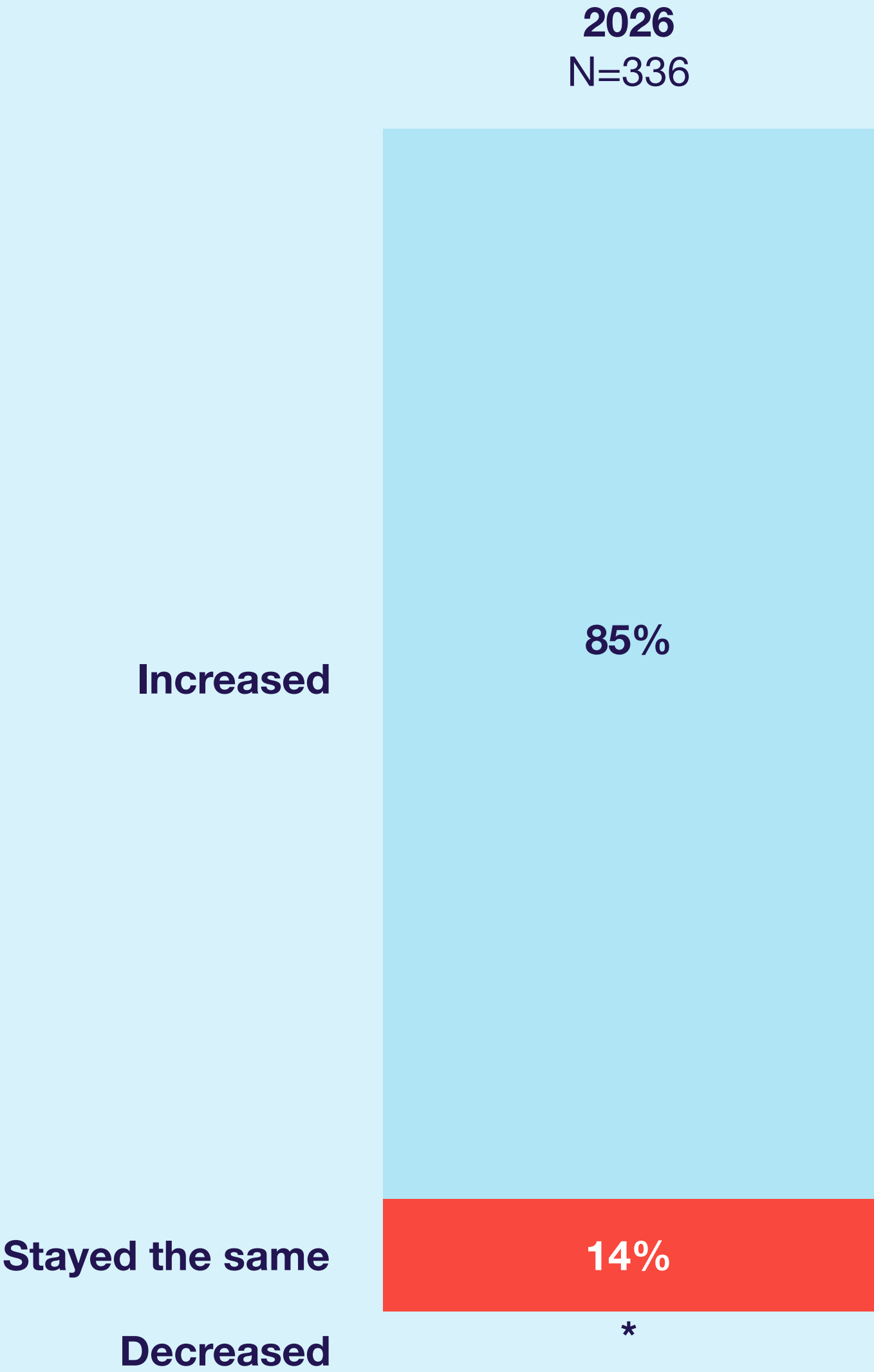


Basic Pay Rates for Current Year (2026)

Has your organisation’s basic pay rates increased, stayed the same or decreased in 2026?

What percentage has your organisation’s basic pay rates increased by in 2026?

85% of organisations are planning to increase pay in 2026 with the average pay increase coming in at 3.5%
This increase is higher than 3.1% forecast for 2026 in last year’s survey.

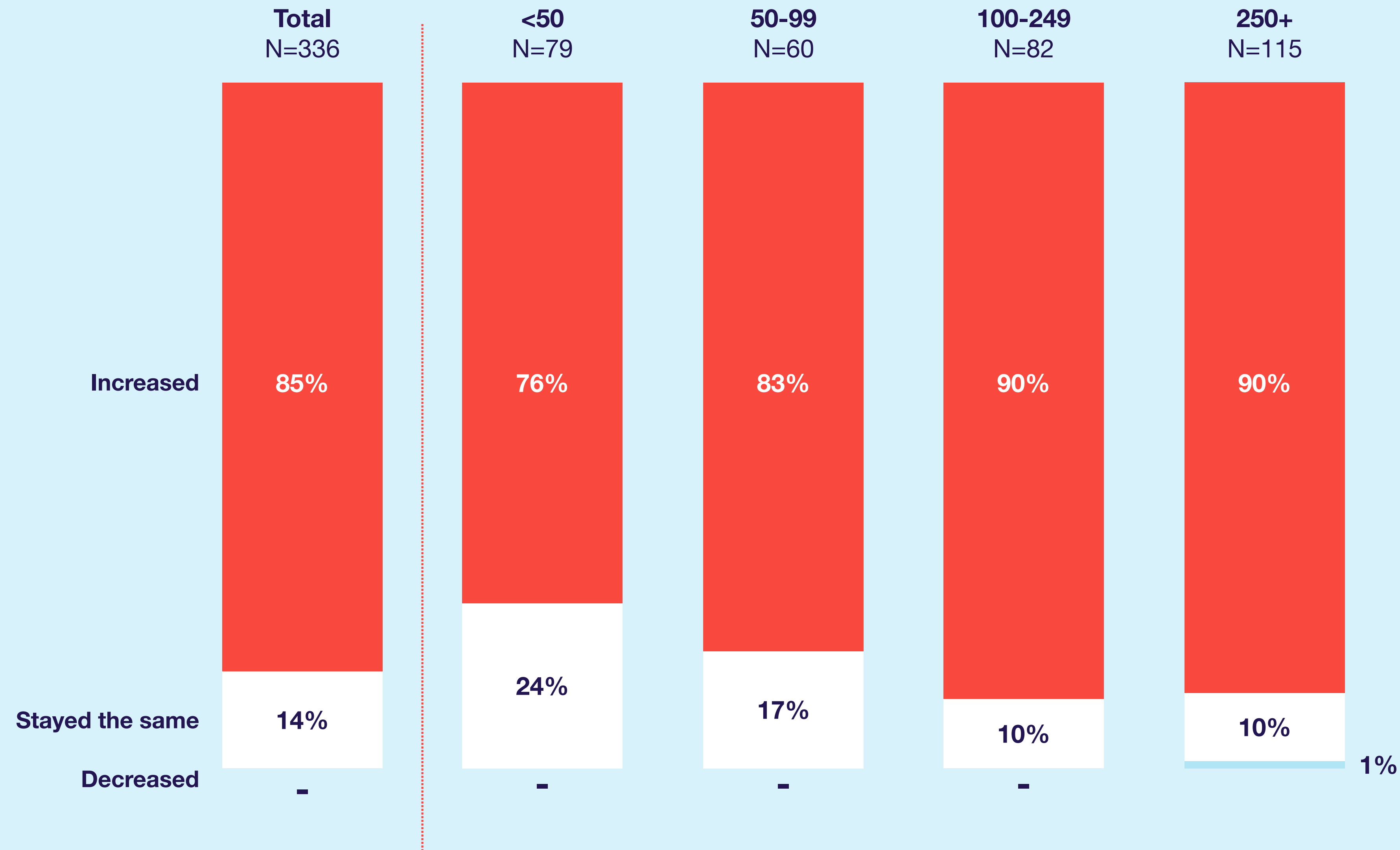


% Pay increase ranges

	2026 N=287
2% or lower	13%
2.01 – 3.0%	43%
3.01 – 4.0%	26%
4.01 – 5.0%	12%
5.01 – 6.0%	1%
6% or more	5%
Average	3.5%

2026 Pay Changes by Size

Has your organisation's basic pay rates increased, stayed the same or decreased in 2026?



Pay Increases in 2026 by Industry

What percentage has your organisation’s basic pay rates increased by in 2026?

	2% or Lower	2.01 – 3.00%	3.01 – 4.00%	4.01 – 5.00%	5.01 – 6.00%	6.01%+	Average
Manufacturing – medical devices (N=29)	7%	45%	34%	10%	-	3%	3.6%
Manufacturing – metals/engineering (N=28)	14%	43%	32%	11%	-	-	3.2%
Electronic services/telecoms (N=28)	21%	50%	11%	7%	-	11%	3.8%
Financial services (N=28)	11%	54%	21%	7%	-	7%	3.4%
Health and Social Services (N=25)	36%	36%	8%	12%	-	8%	3.2%
Manufacturing – chemicals/ pharmaceuticals (N=21)	-	43%	43%	10%	-	5%	3.5%
Manufacturing – food/drink (N=21)	5%	19%	57%	19%	-	-	3.6%
Other Manufacturing (N=19)	11%	53%	26%	5%	5%	-	3.3%
Hotels, tourism, leisure (N=17)	18%	29%	24%	18%	-	12%	3.9%
Wholesale/distribution (N=18)	11%	61%	17%	11%	-	-	3.1%
Retail (N=11)	9%	64%	9%	9%	-	9%	3.4%

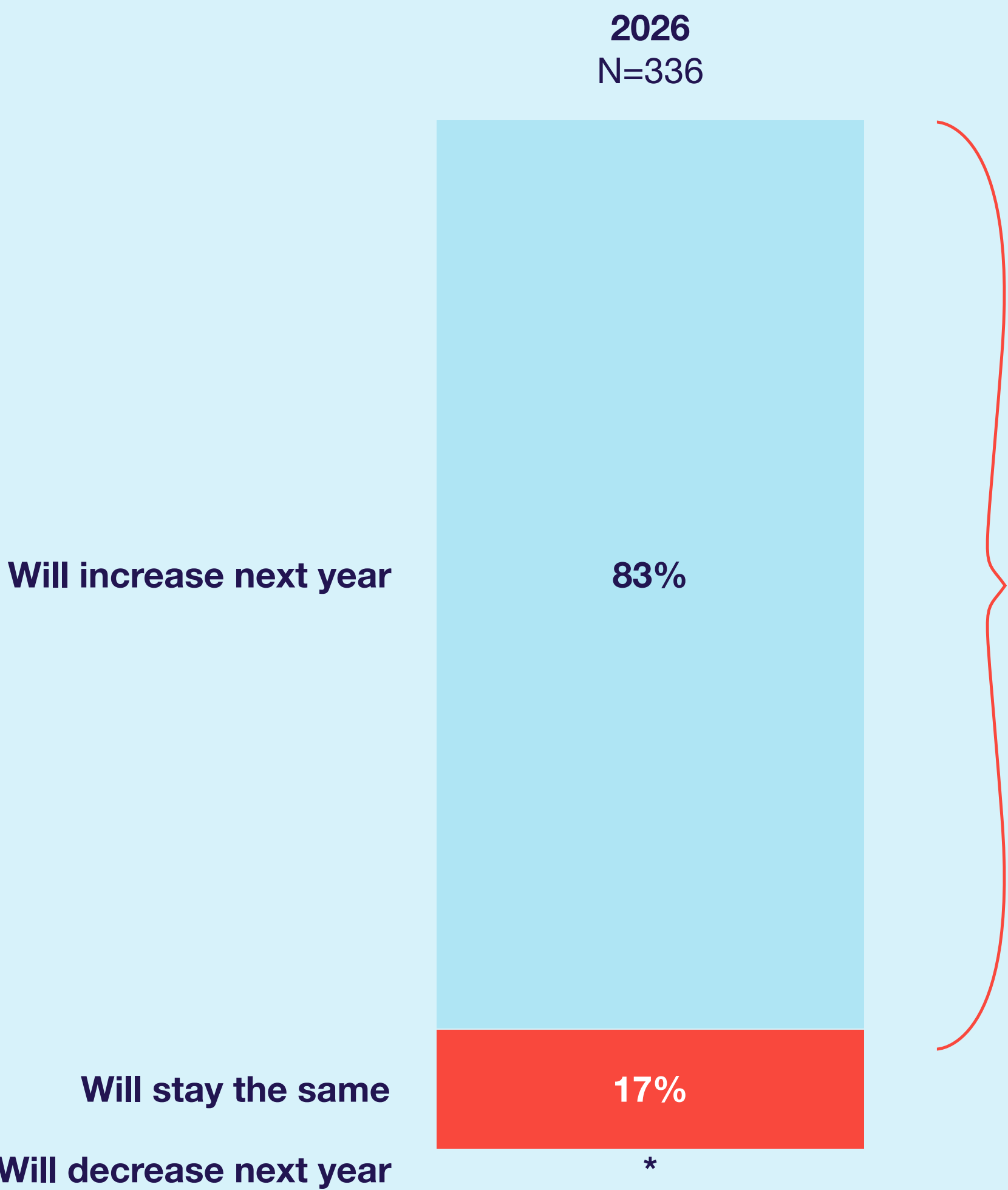
Expected Basic Pay Changes for 2027

Looking ahead, 83% of organisations expect to increase pay in 2027, but the anticipated average increase moderates slightly to 3.1%.

Nevertheless, the fact that four-fifths of employers still plan pay increases for 2027 confirms that competition for talent and talent retention remains buoyant.

Do you expect your organisation’s basic pay rates to increase, stay the same or decrease in 2027?

What percentage do you expect your organisation’s basic pay rates to increase by in 2027?

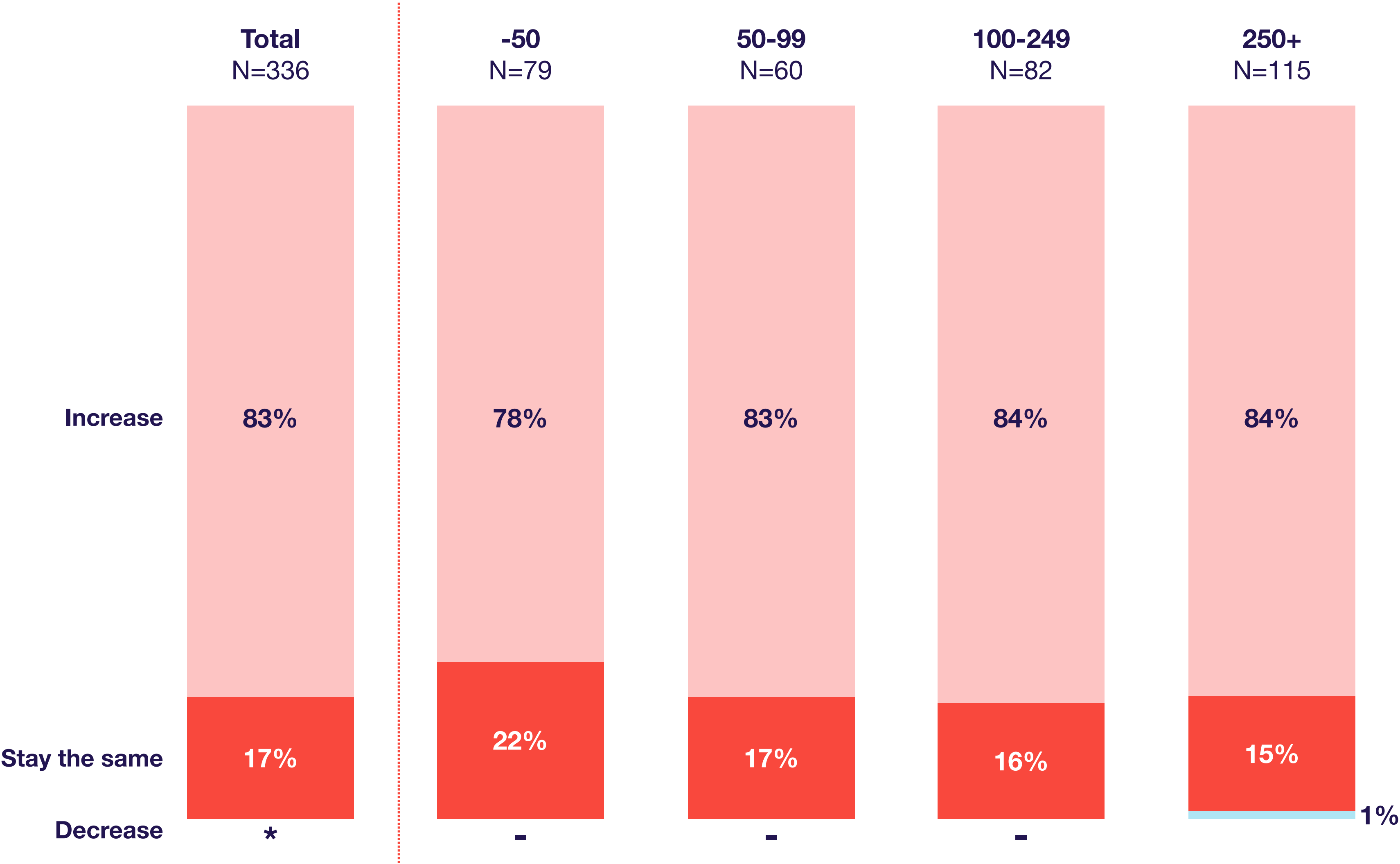


Expected pay increase ranges for

	2026 N=278
2% or lower	19%
2.01 – 3.0%	55%
3.01 – 4.0%	14%
4.01 – 5.0%	8%
5.01 – 6.0%	1%
6.0% or more	2%
Average	3.1%

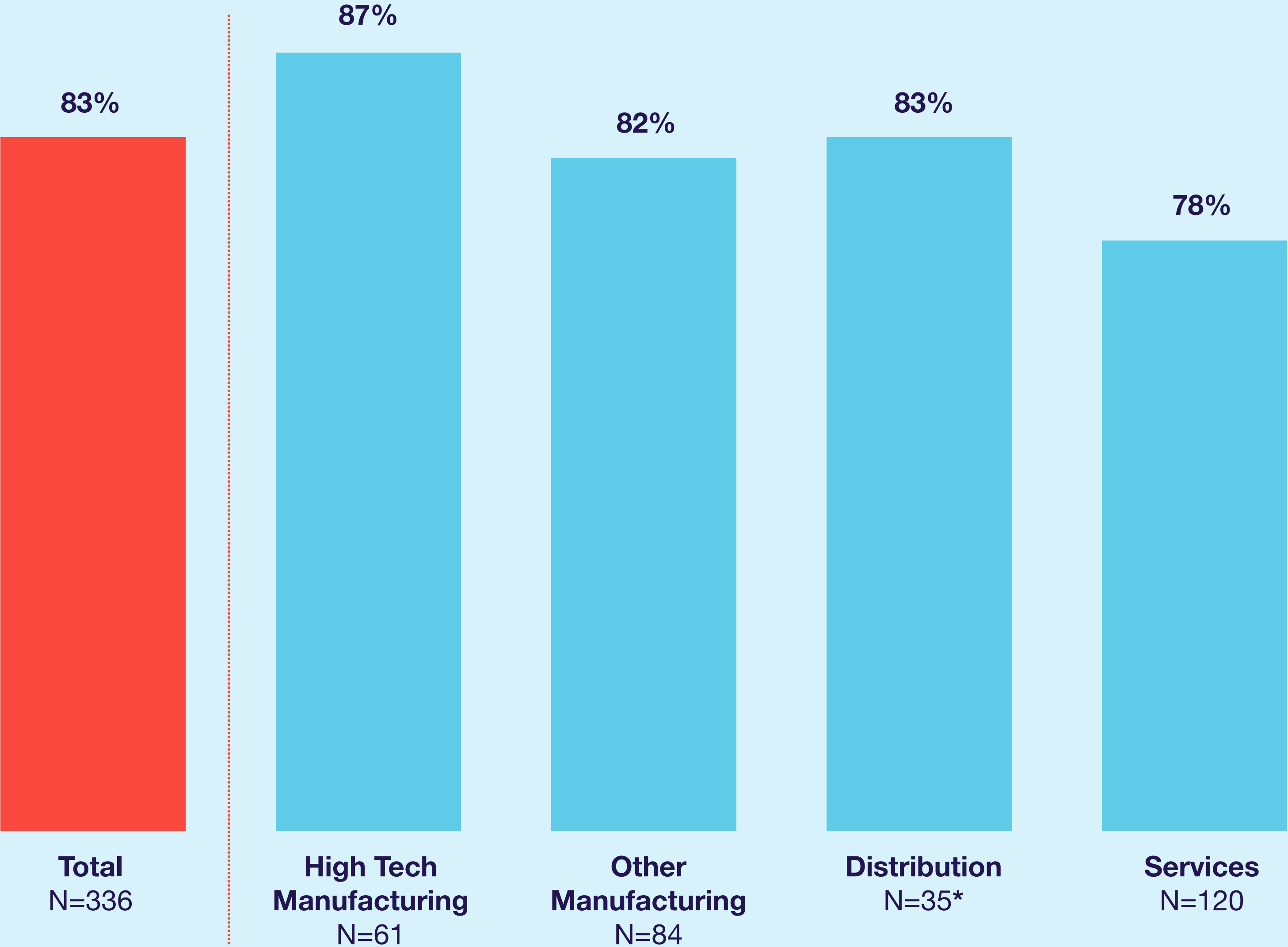
Expected 2027 Pay Changes by Size

Do you expect your organisation's basic pay rates to increase, stay the same or decrease in 2027?



Expected 2027 Pay Increase by Sector

Do you expect your organisation's basic pay rates to increase, stay the same or decrease in 2027?



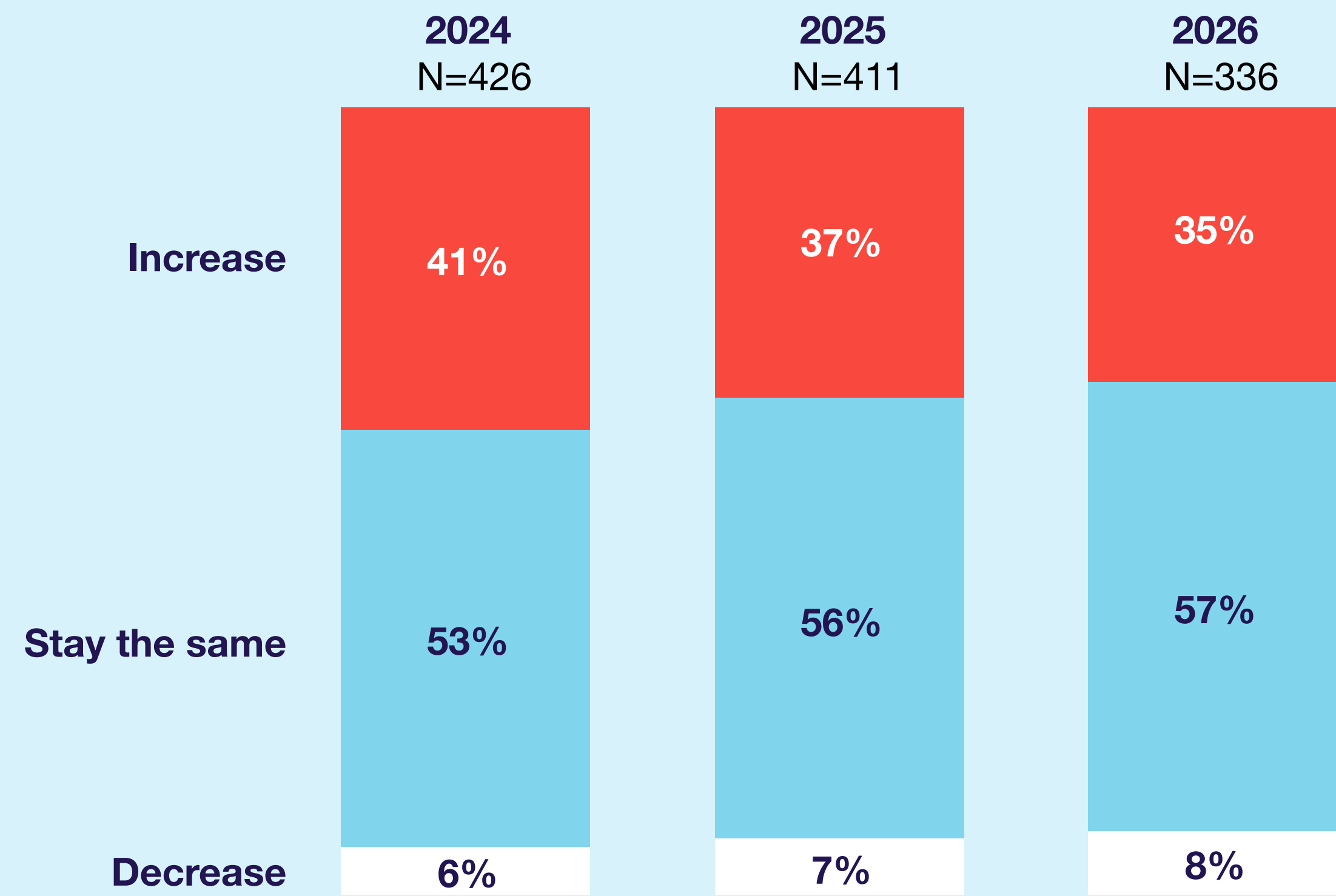
Section 2

Resourcing & Talent



Headcount expectations for 2027

Do you expect your organisation’s headcount to increase, stay the same or decrease in 2027?



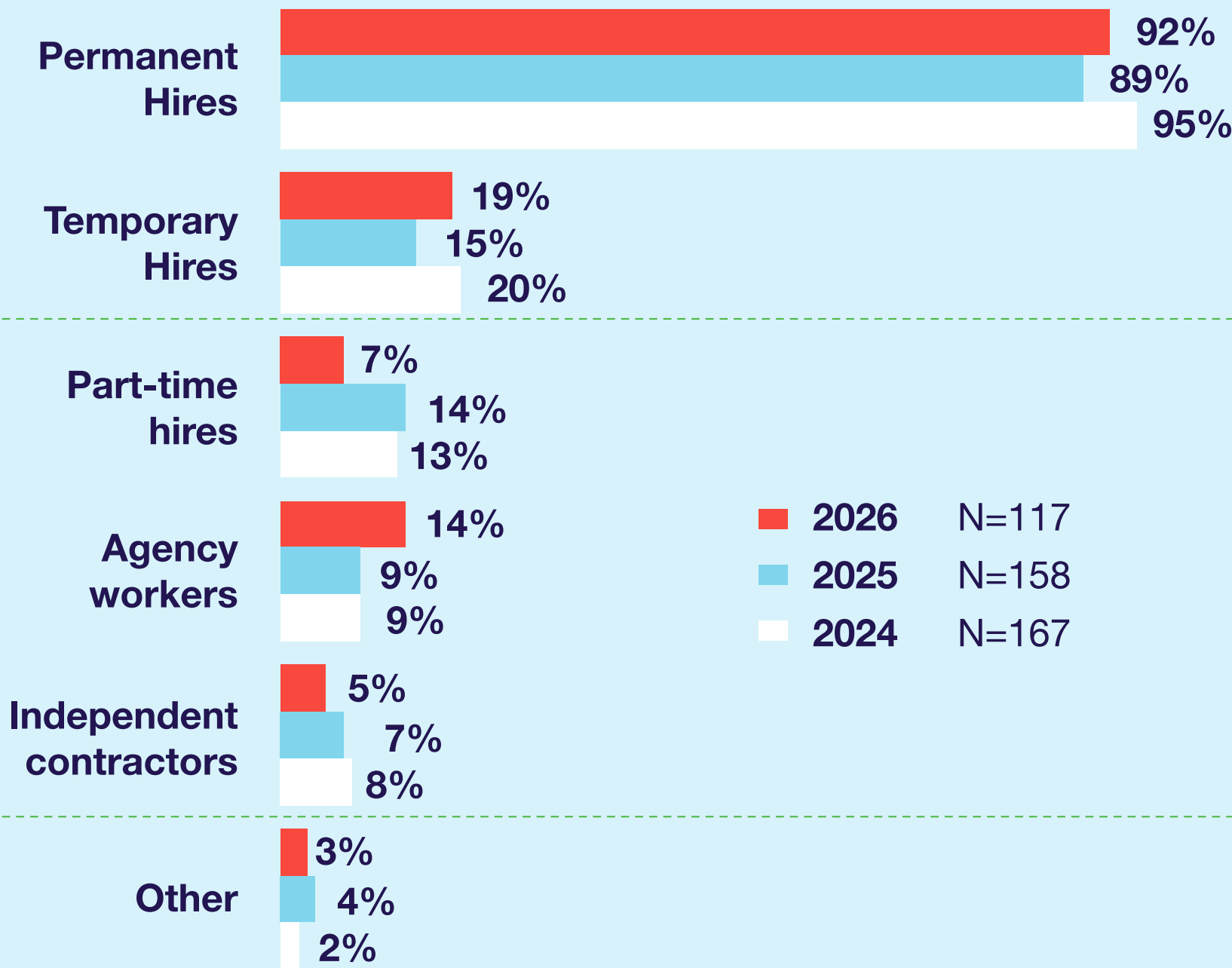
Headcount expectations for 2027

What percentage will the headcount in your organisation increase by in 2027?

	2024 N=167	2025 N=158	2026 N=117
2% or lower	20%	17%	12%
2.01 – 3.0%	8%	7%	9%
3.01 – 4.0%	2%	4%	4%
4.01 – 5.0%	32%	28%	23%
5.01 – 6.0%	2%	1%	4%
6.0% or more	35%	41%	43%
Mean	7.2%	8.1%	7.2%

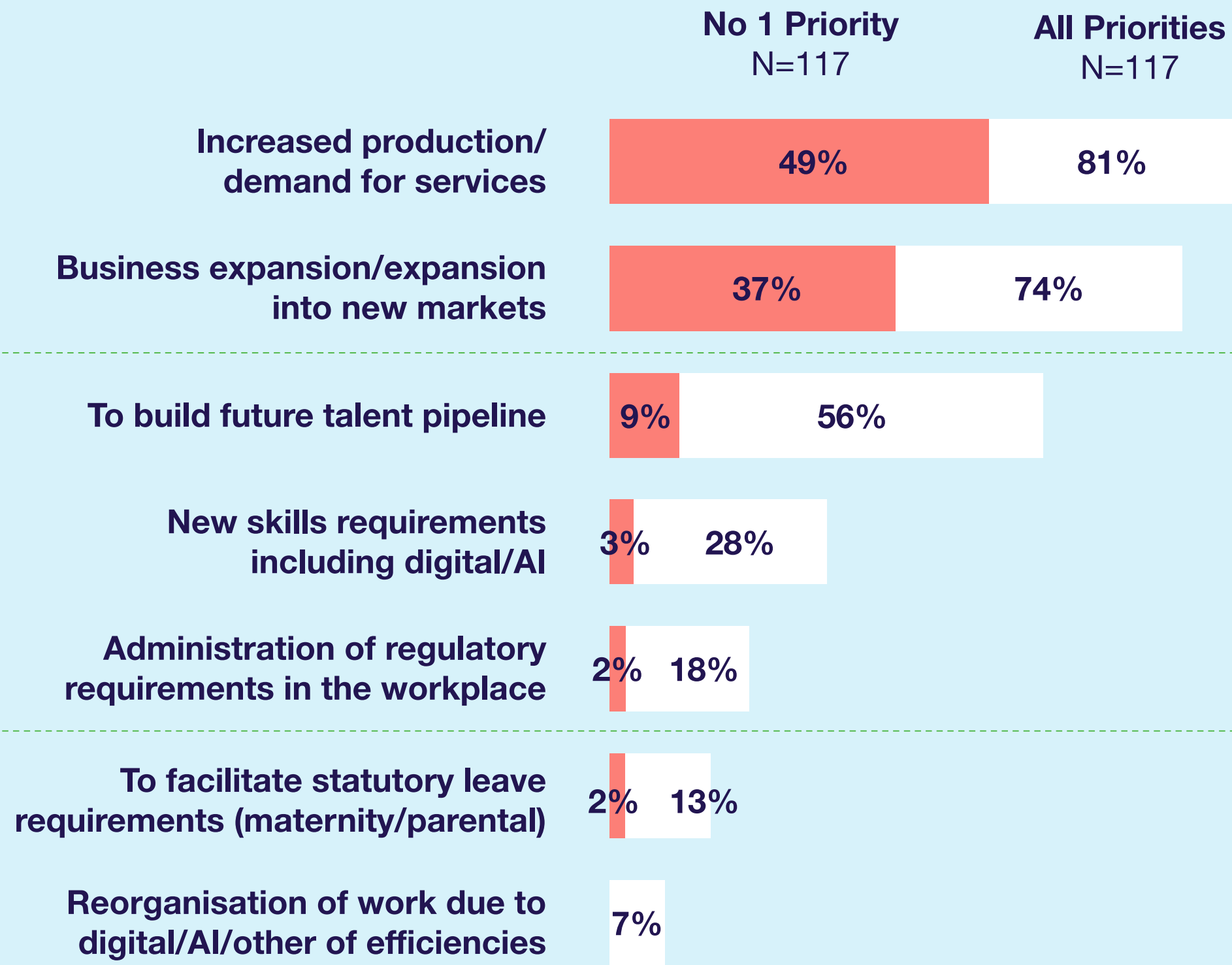
How 2027 headcount will be increased

Which of the following best describes how this additional headcount will be achieved? Please select all that apply



Drivers of additional 2027 headcount

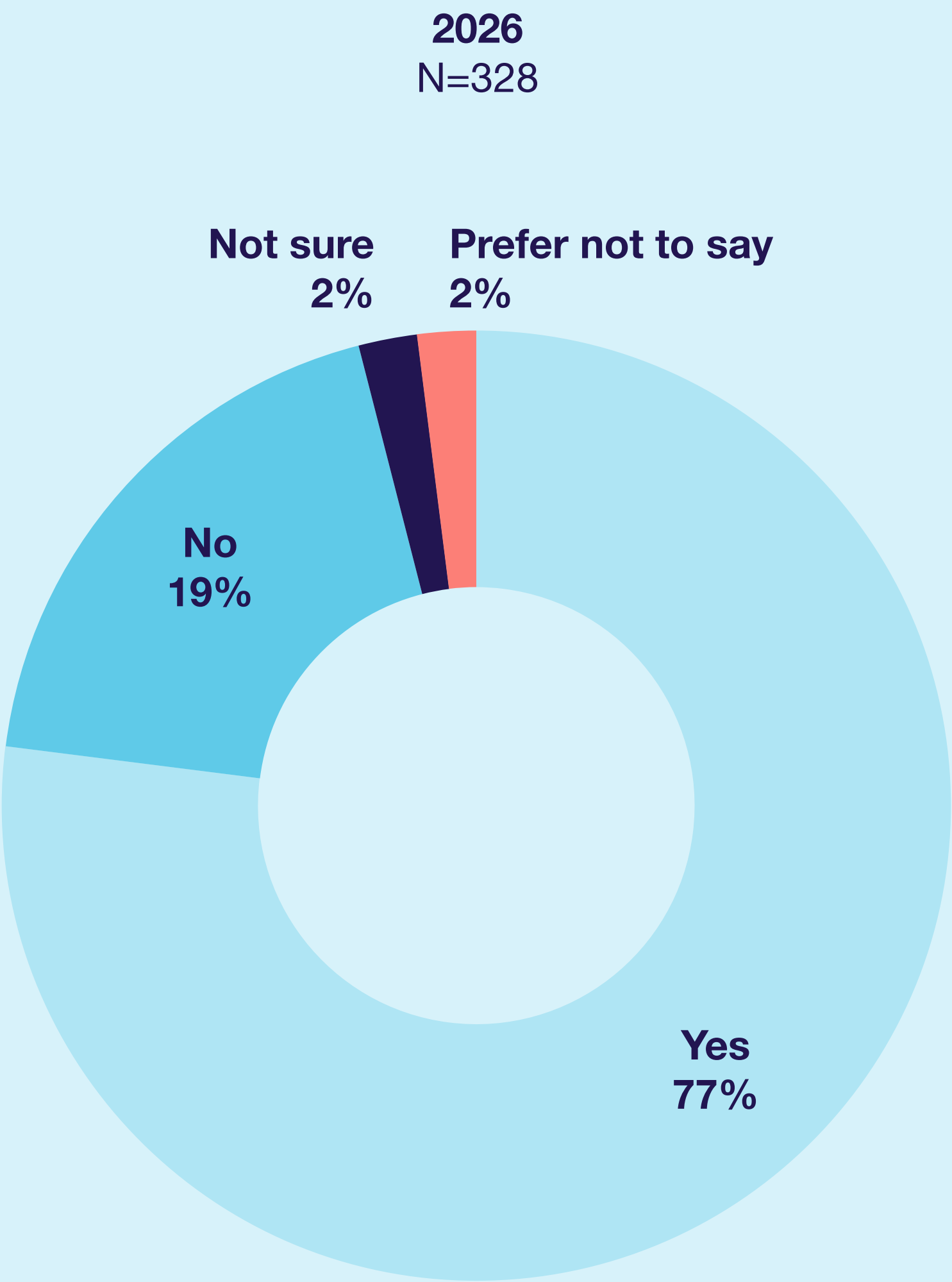
Can you please prioritise the drivers of your organisations need for additional headcount where 1 is the most urgent need, 2 is the next most urgent need and so on



Incidence of employing non-EEA nationals

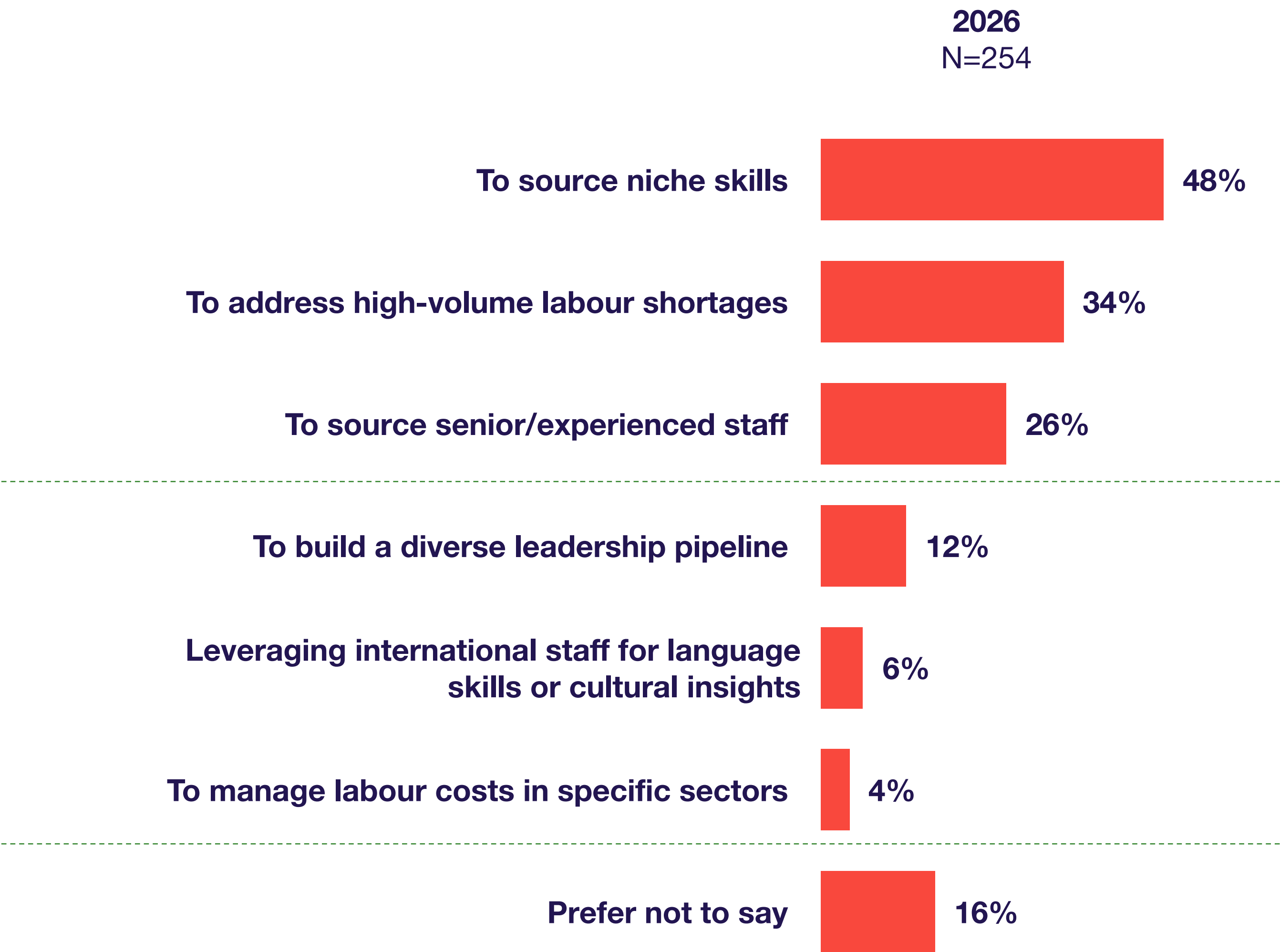
Does your organisation currently employ any non-EEA nationals?

	High Tech Man N=60	Other Man N=84	Distribution N=35*	Services N=114
Yes	88%	71%	71%	75%
No	10%	23%	23%	20%
Not sure	2%	2%	3%	2%
Prefer not to say	-	4%	3%	3%



Main drivers for employing non-EEA nationals

Which of the following best describes the primary strategic driver for your organisation's recruitment of non-EEA (European Economic Area) nationals? Please select all that apply



Impact of DETE salary thresholds

The Department of Enterprise, Tourism and Employment (DETE) increased the minimum salary thresholds for employment permits in 2026.

Has this impacted your organisation in any of the following ways?

	High Tech Man N=53*	Other Man N=60	Distribution N=25*	Services N=86
Avoid recruiting staff who need a work permit	15%	15%	12%	22%
Focus on business process improvements	11%	10%	4%	10%
Reduce reliance on permits by reorganisation of work	9%	12%	16%	9%
Will not renew permits for existing staff members	-	3%	-	5%
Reduce reliance on permits by introducing digital efficiencies	2%	2%	-	2%
NA/Prefer not to say	62%	62%	68%	55%



Impact of MAR increase on recruitment

The Minimum Annual Remuneration (MAR) for a General Employment Permit rose to €36,605 in March 2026.

How has this impacted your recruitment strategy?

	High Tech Man N=53*	Other Man N=60	Distribution N=25*	Services N=86
No impact - our salaries were already above this	70%	60%	40%	53%
We have had to increase salaries specifically to meet permit requirements	6%	23%	12%	12%
We have stopped hiring for certain roles because the salary requirement exceeds the market rate	8%	3%	16%	13%
Prefer not to say	17%	13%	32%	22%

Section 3

Employment & Policy Development

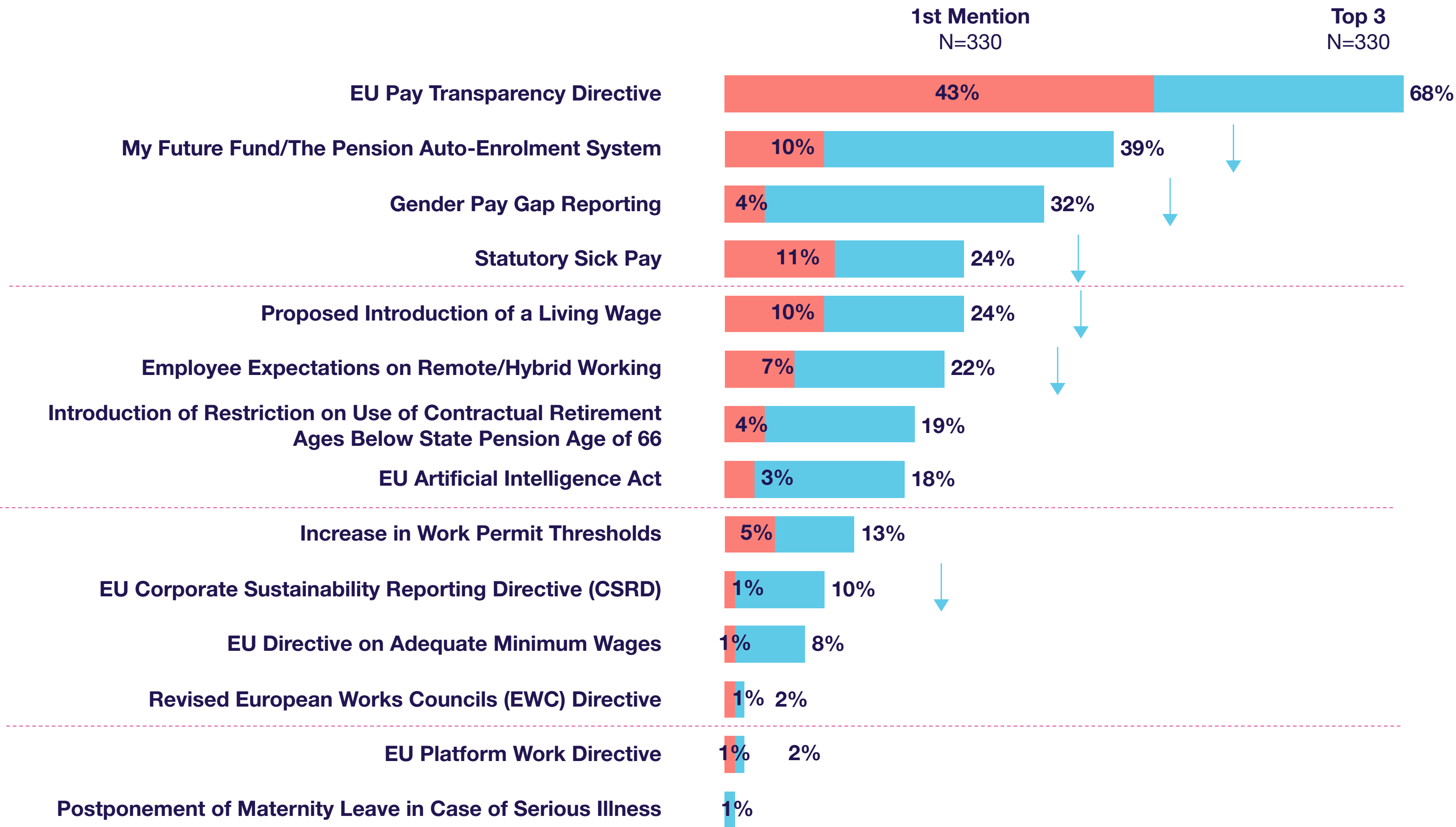


Developments impacting organisation

The EU Pay Transparency Directive has emerged as the single most impactful factor, cited by 68% of organisations as compliance deadlines approach. Retirement planning and gender equity are demanding substantial operational focus: Pensions AutoEnrolment remains impactful with 39% including it within the top 3 but significantly down from 62% in 2025. Gender Pay Gap Reporting remains central for 32% of employers. Statutory Sick Pay obligations continue to have an impact. Together, these figures highlight a HR landscape focused on regulatory readiness and reward governance.

In addition, at a time when skills are scarce and employers require access to talent, lack of childcare continues to act as a barrier with 42% of employers stating this has had a moderate to major impact on talent retention. A further 34% of employers state this had prevented or delayed employees returning to work following maternity leave.

Please select the five developments with the greatest impact to your organisation where 1 is the greatest impact, 2 is the next greatest impact and so on.



Pensions & Auto Enrolment



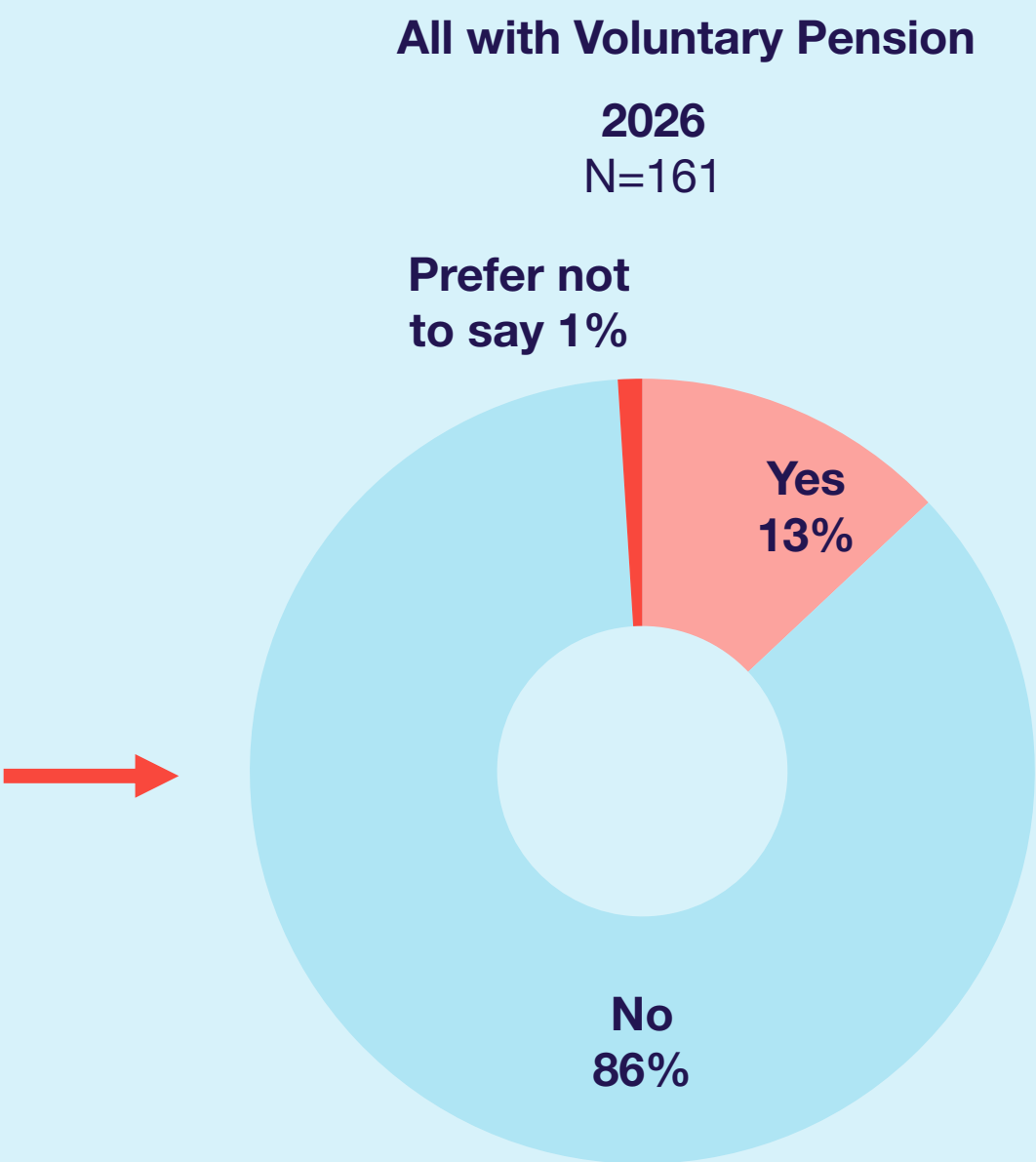
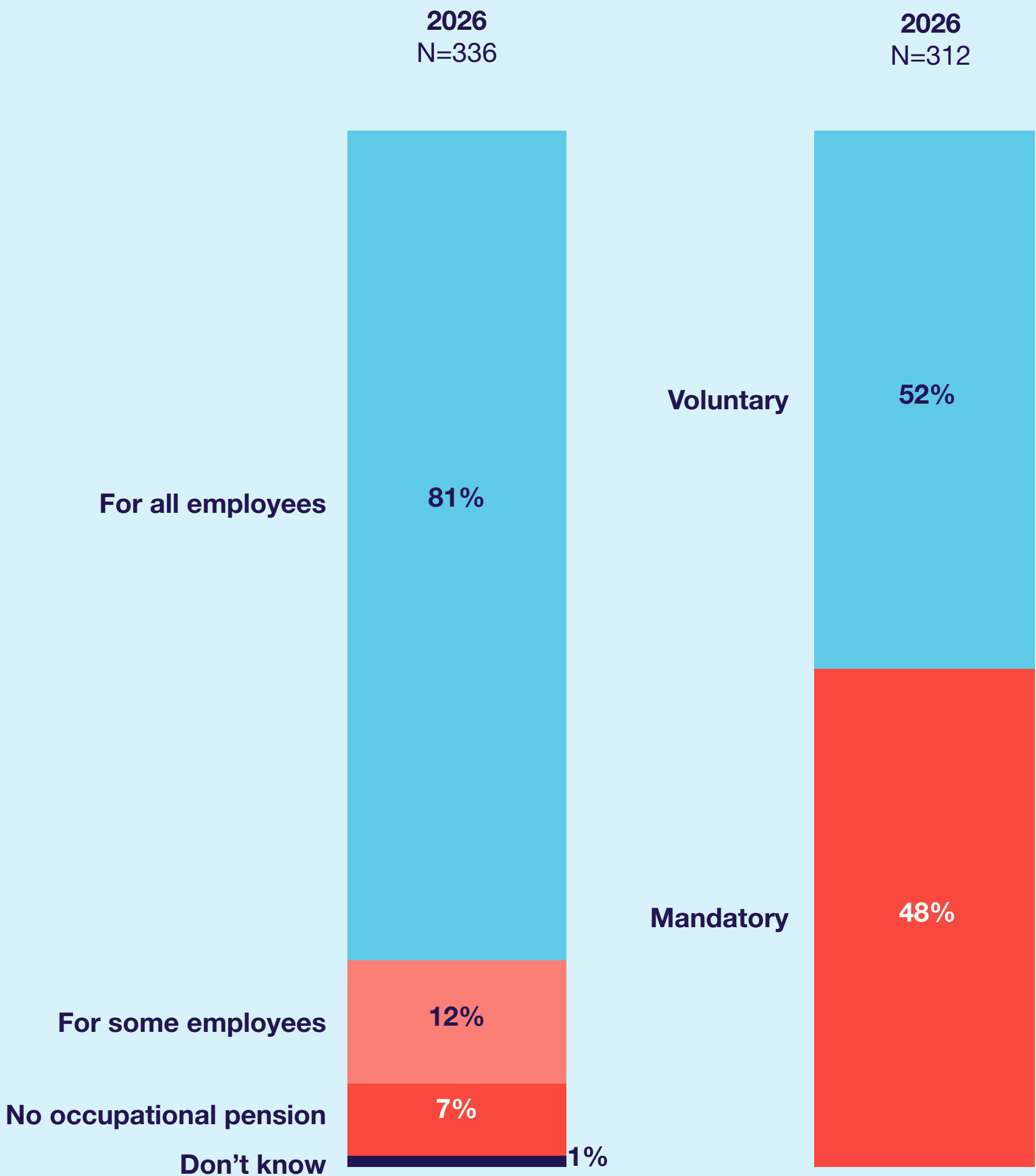
Incidence of having an occupational pension

Does your organisation have an occupational pension scheme for employees?

Is your organisation's pension voluntary or mandatory for those eligible to avail of the scheme?

Has your organisations voluntary pension change to a mandatory one with the introduction of pension auto-enrolment?

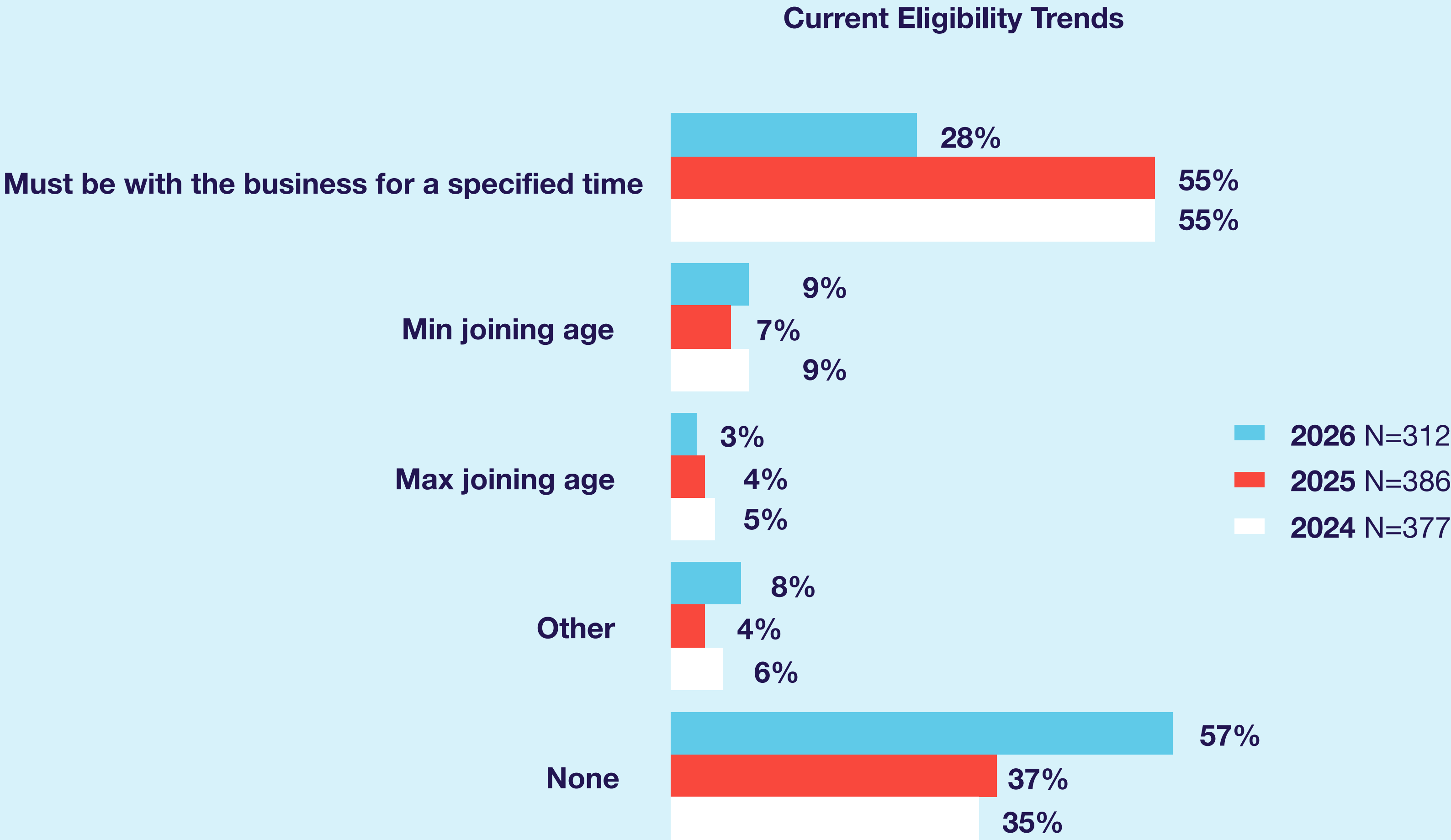
The long awaited, state sponsored retirement savings scheme went live on January 1st 2026. The research reveals this scheme has led to a significant increase in the proportion of firms providing occupational pensions (up from 69% to 81%) and a shift from Voluntary to Mandatory schemes



Eligibility criteria for pension scheme

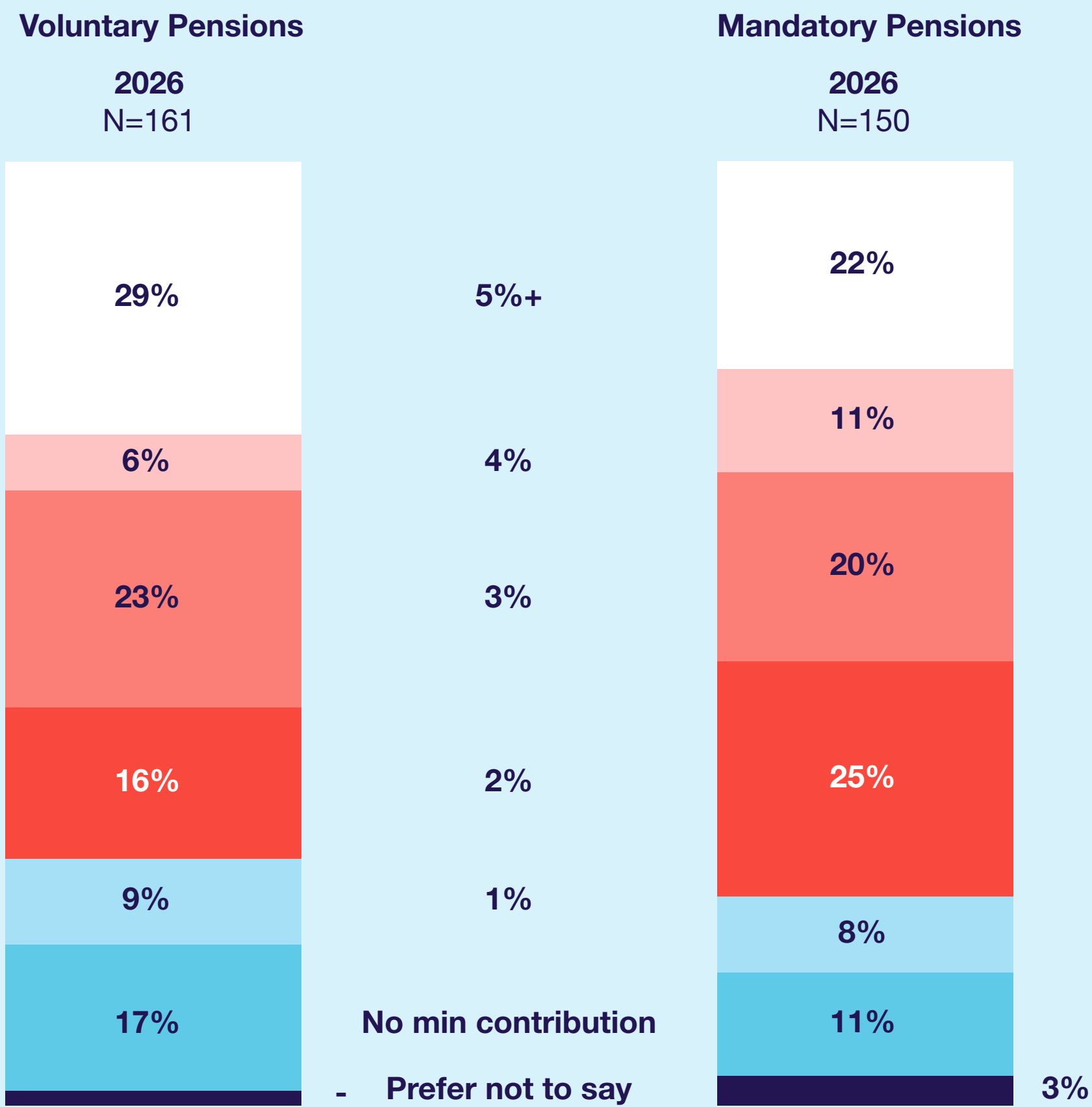
There has been a noted drop in respondents using tenure as a form of eligibility criteria from over half of respondent schemes (55%) in 2025 to (28%) in 2026. This is likely to align with the Auto-Enrolment Scheme which has no waiting period.

Does your organisation have any of the following eligibility criteria for joining its occupational pension scheme?



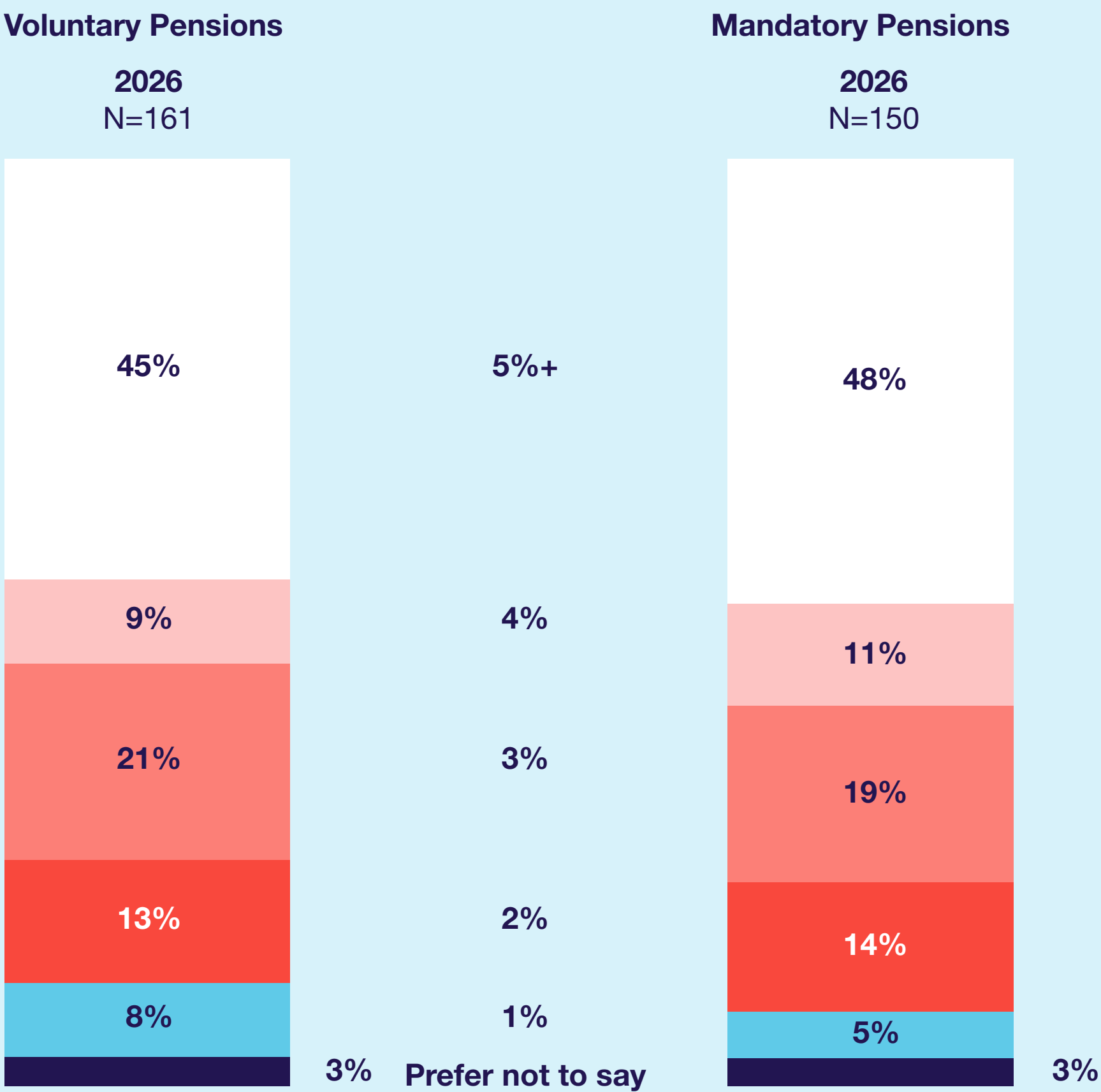
Minimum employee pension contributions

What is the minimum employee contribution for your organisation's voluntary/mandatory pension?



Minimum employer pension contributions

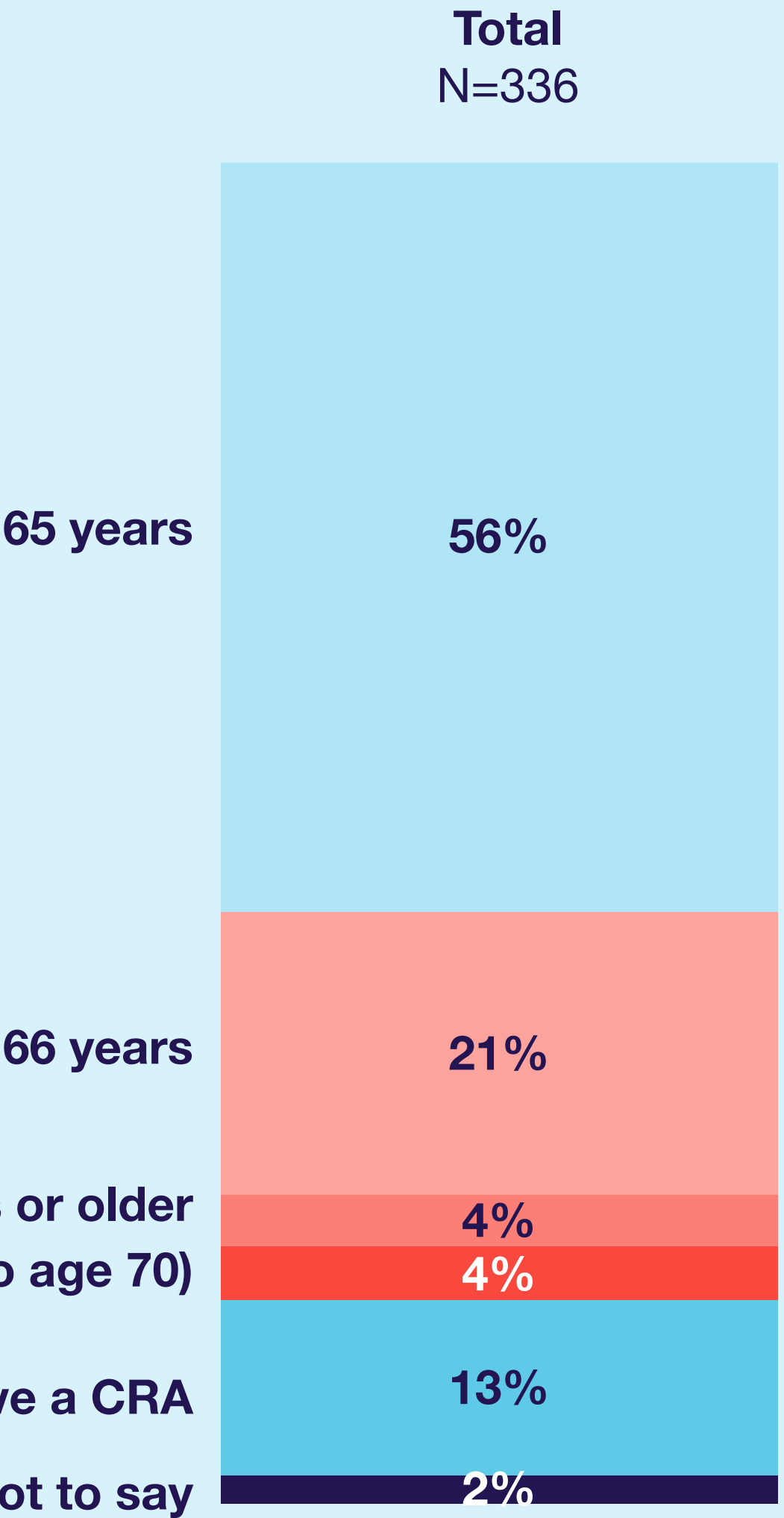
What is the minimum employer contribution for your organisation's voluntary/mandatory pension?



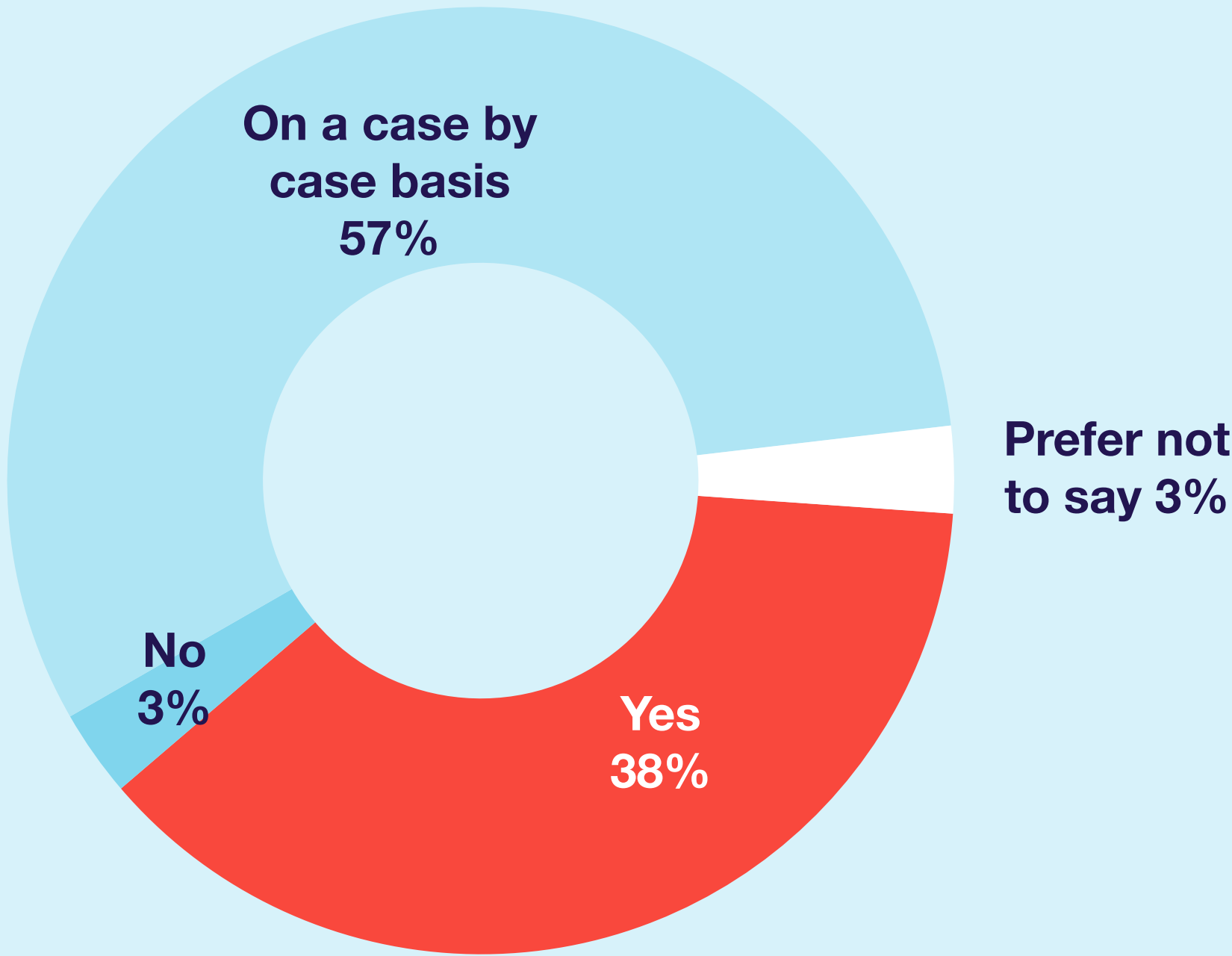
Contractual Retirement

What is your organisations contractual retirement age (CRA)?

Does your organisation offer longer working beyond the CRA?



All with a CRA who offer longer working beyond that age
N=274



The EU Pay Transparency Directive

Note: Data collection for this survey began ahead of the EU's June 2026 deadline. At date of publication this directive has yet to be transposed into Irish national law.

Ibec Talent, Trends and Pay Survey

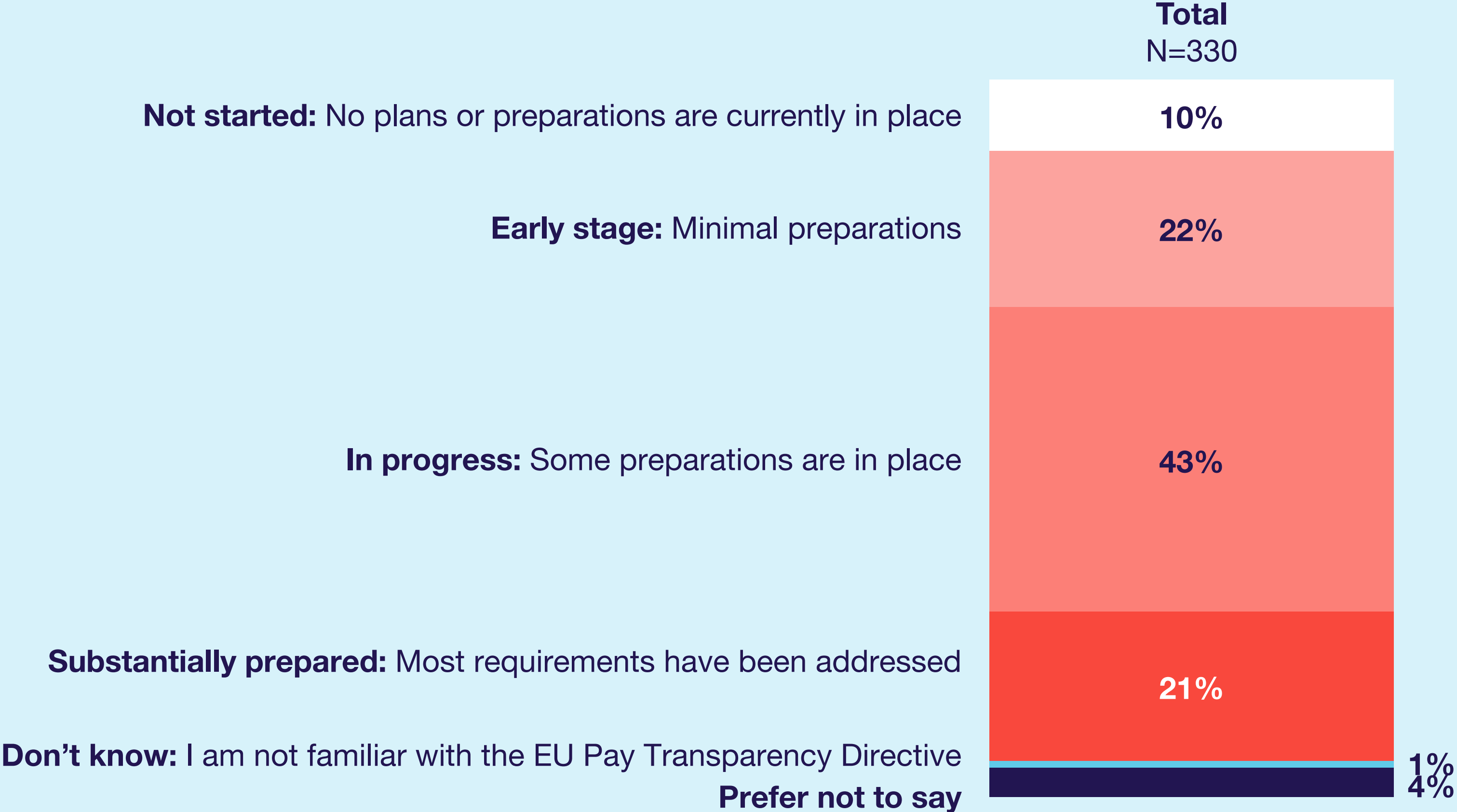


Preparedness for EU Pay Transparency Directive

The administrative impacts of the Directive continue to cause concern and have heightened with the leading impact continuing to be the categorisation of workers who are performing the same work or work of equal value (up from 48% to 57%).

More positively, there have been increases in the proportions of firms that have implemented ‘easy win’ changes to address gender pay gaps since last year such as revising job descriptions to remove gender bias, removing past salary discussions during recruitment and changes to recruitment policy.

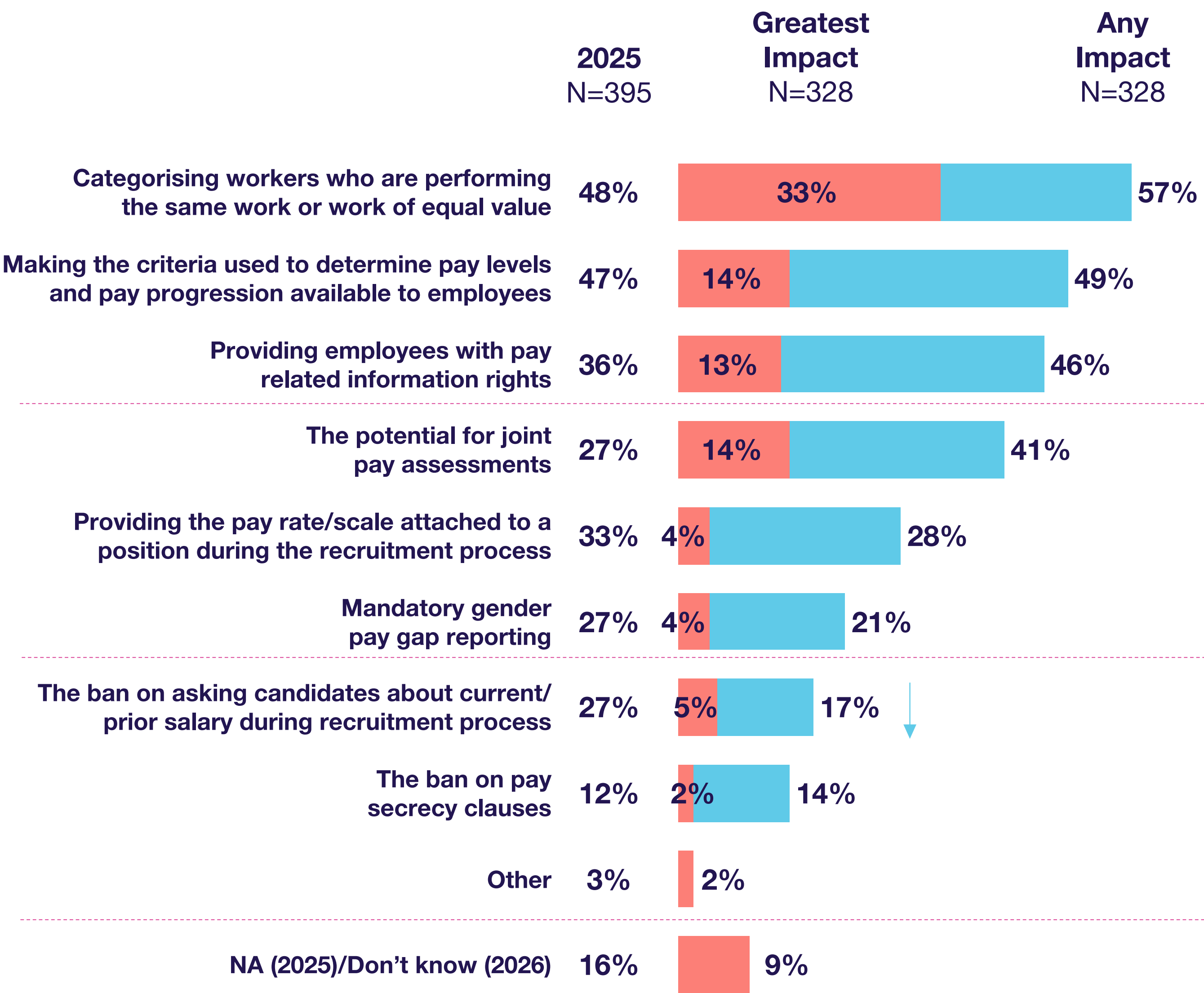
How prepared is your organisation for the EU Pay Transparency Directive that comes into effect in June 2026?



Expected administrative impact of EU Pay Transparency Directive

What do you expect to be the greatest HR administrative impacts of the EU Pay Transparency Directive?

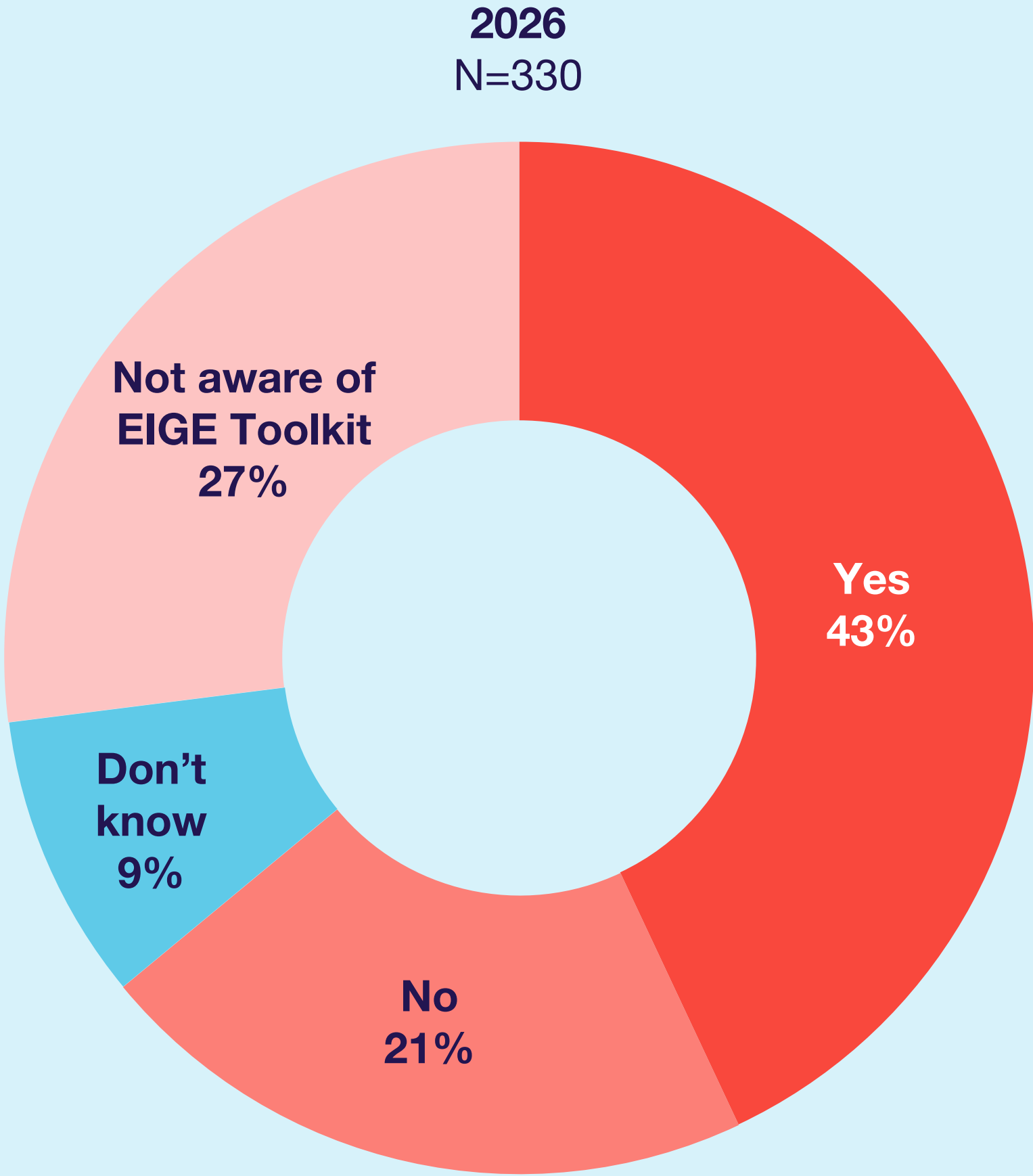
And which one of these will have the greatest impact?



Incidence of having a job architecture in place

The European Institute for Gender Equality (EIGE) Toolkit has been published, and we wait for its adaptation nationally.

Do you have job architecture in place that would serve as a starting point for your job categorisation exercise?



Communication intentions ahead of Pay Transparency Directive

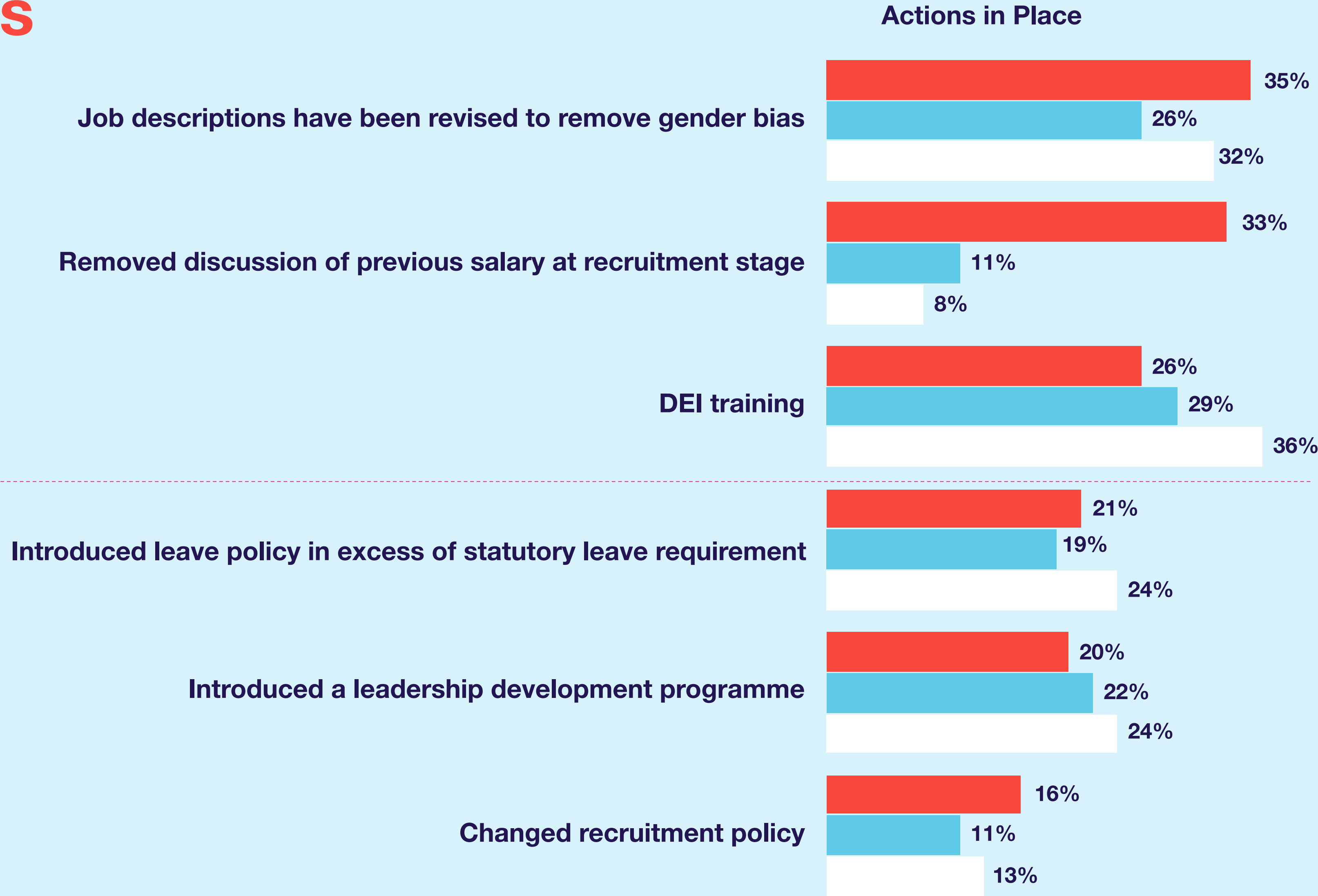
How does your organisation plan to communicate job architecture, pay structure and pay progression details in advance of the Pay Transparency Directive? Please select all that apply.



Actions to address gender pay gap

Which if any of the following actions has your organisation put in place to address gaps in gender pay?

- 2026 N=328
- 2025 N=395
- 2024 N=378



Section 4

Talent Management Priorities



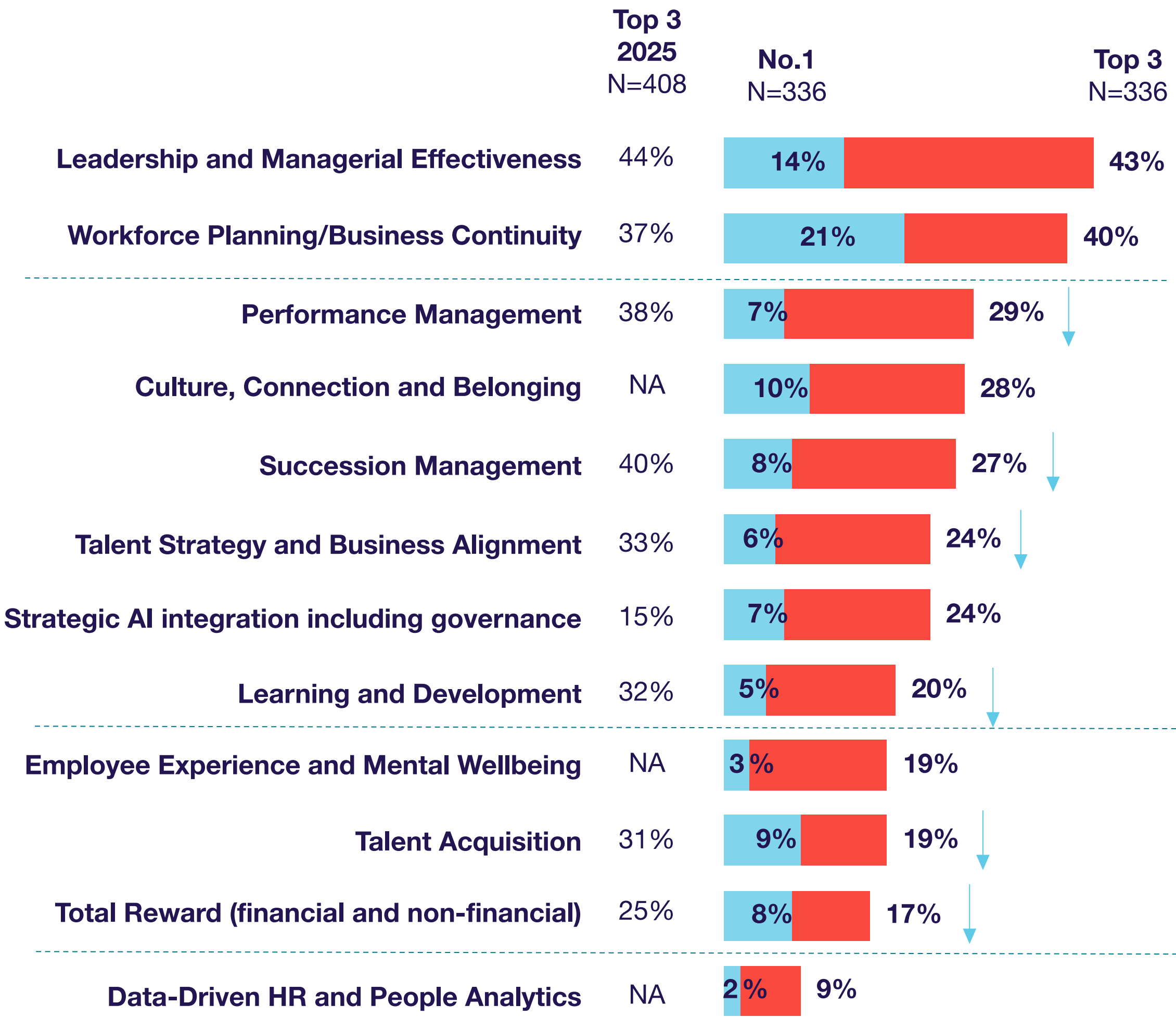
HR Priorities over the next 12 months

Leadership & Managerial Effectiveness is recorded as the greatest priority for HR (43%) in 2027. This could be due to most firms (65%) rating the readiness of their middle management pipeline to take on senior roles as ‘Moderate’ and a further 1 in 4 (23%) provided a ‘Low’ rating.

Prioritisation of a Succession Planning Framework as part of an attraction and retention strategy is similarly modest (34%). So while there is widespread recognition of the importance of leadership development, the ability to consistently prioritise these initiatives appears challenging.

A similar paradox is evident in terms of Learning & Development. A consistent 7 in 10 firms (67%) consider upskilling and reskilling to be a highly important element of their organisation’s HR strategy and Upskilling/ L&D Opportunities have the highest priority as an attraction & retention strategy. However, L&D is a lower organisational priority in 2027 (down from 32% to 20%) and lags considerably behind other priority areas for 2027.

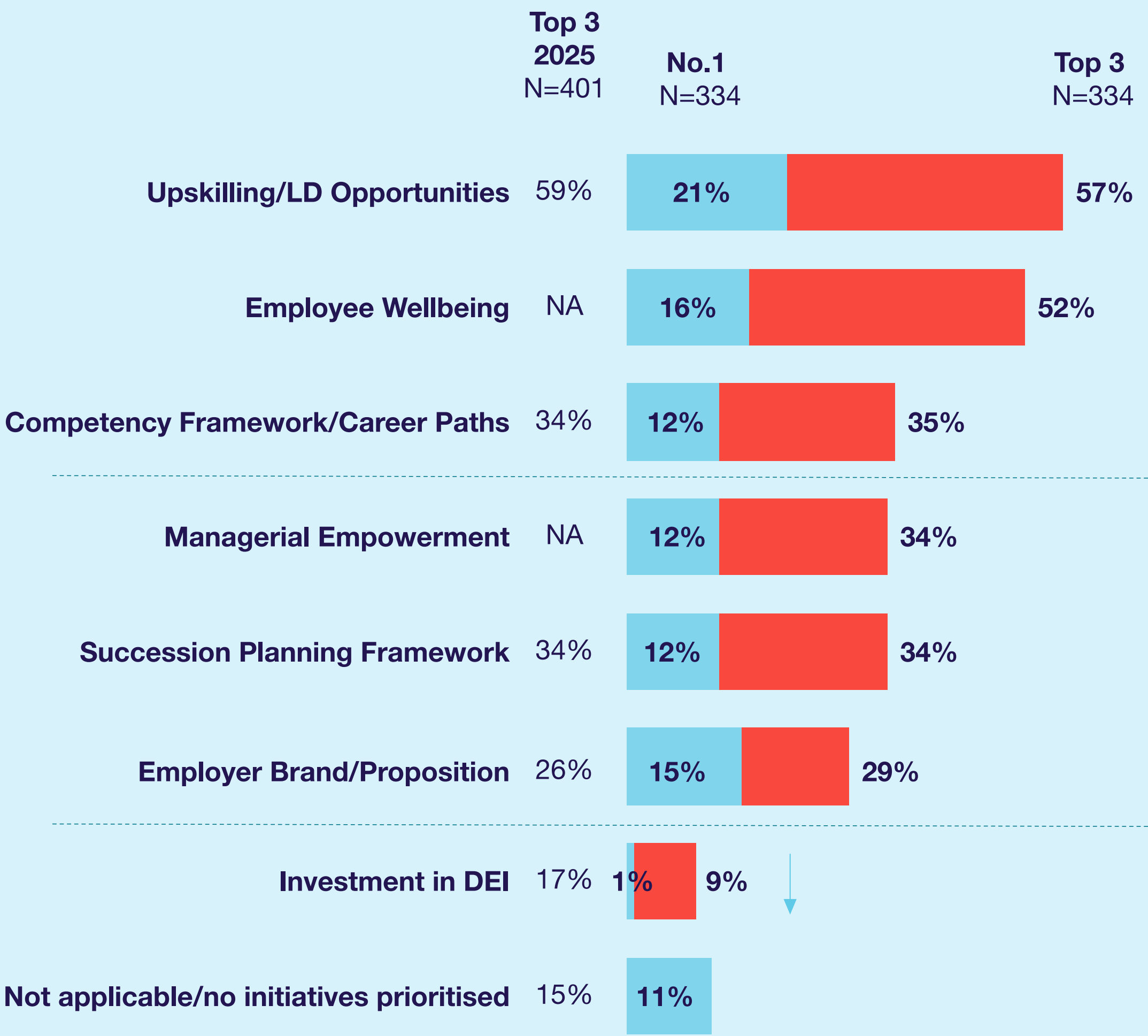
From the list below, please rank the three HR areas of priority for your organisation over the next 12 months in order of importance



Talent management priorities

Organisations have prioritised a variety of initiatives to address attraction and retention challenges. Similarly to last year, career development remains a strong focus for organisations. This is promising given the drop in overall L&D prioritisation. To attract and retain talent top priorities continue to be upskilling and learning & development opportunities (57%) and enhancing employee wellbeing (52%).

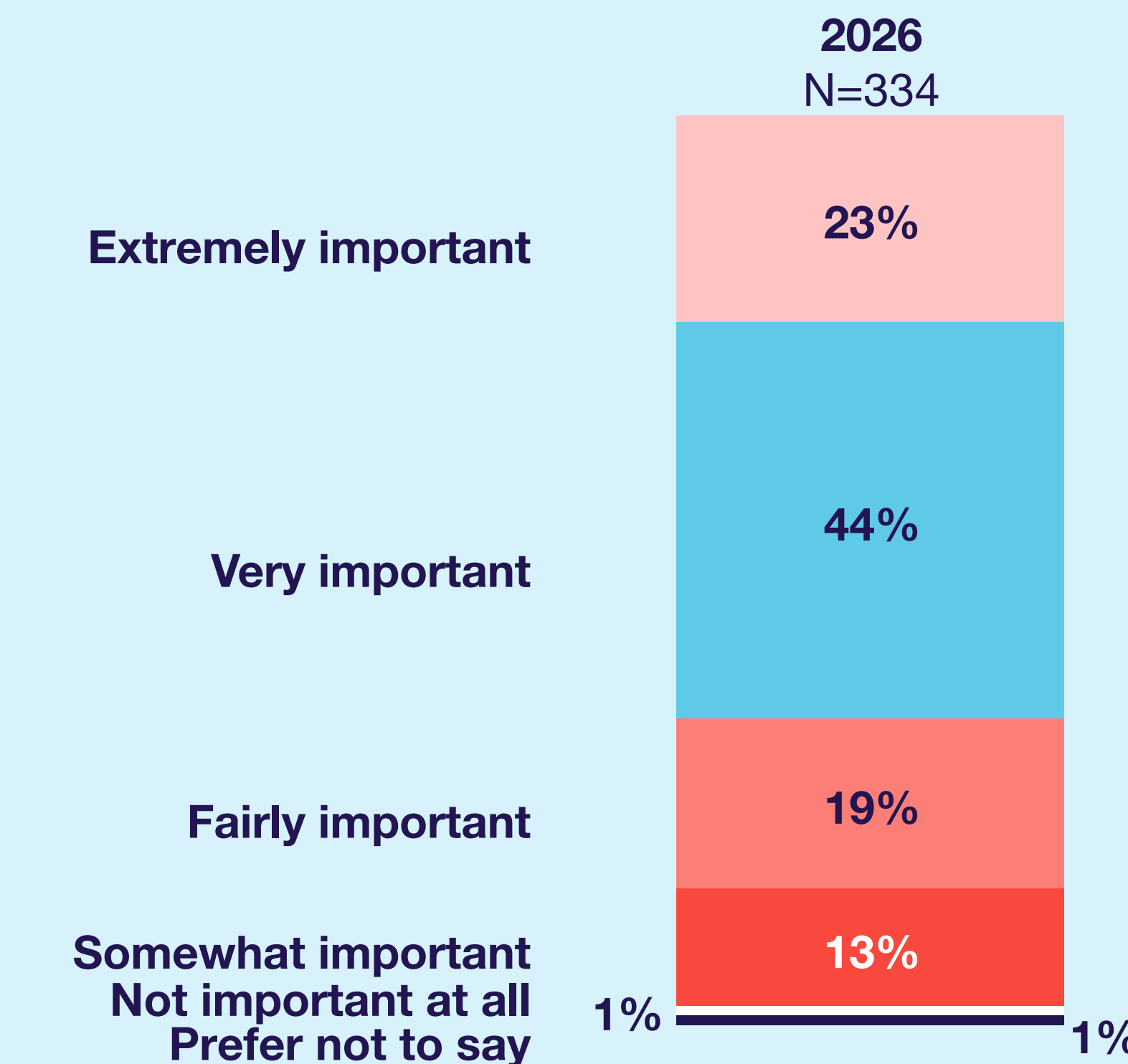
Has your organisation prioritised the following initiatives as part of your attraction and retention strategy?



Importance of employee upskilling/reskilling

Despite 86% of respondents recognising upskilling and reskilling as fairly to extremely important, Learning & Development has slipped down the list of HR priorities - highlighting a critical gap between awareness and action that needs to be addressed.

How important is employee upskilling and reskilling to your organisation’s strategy in Ireland?



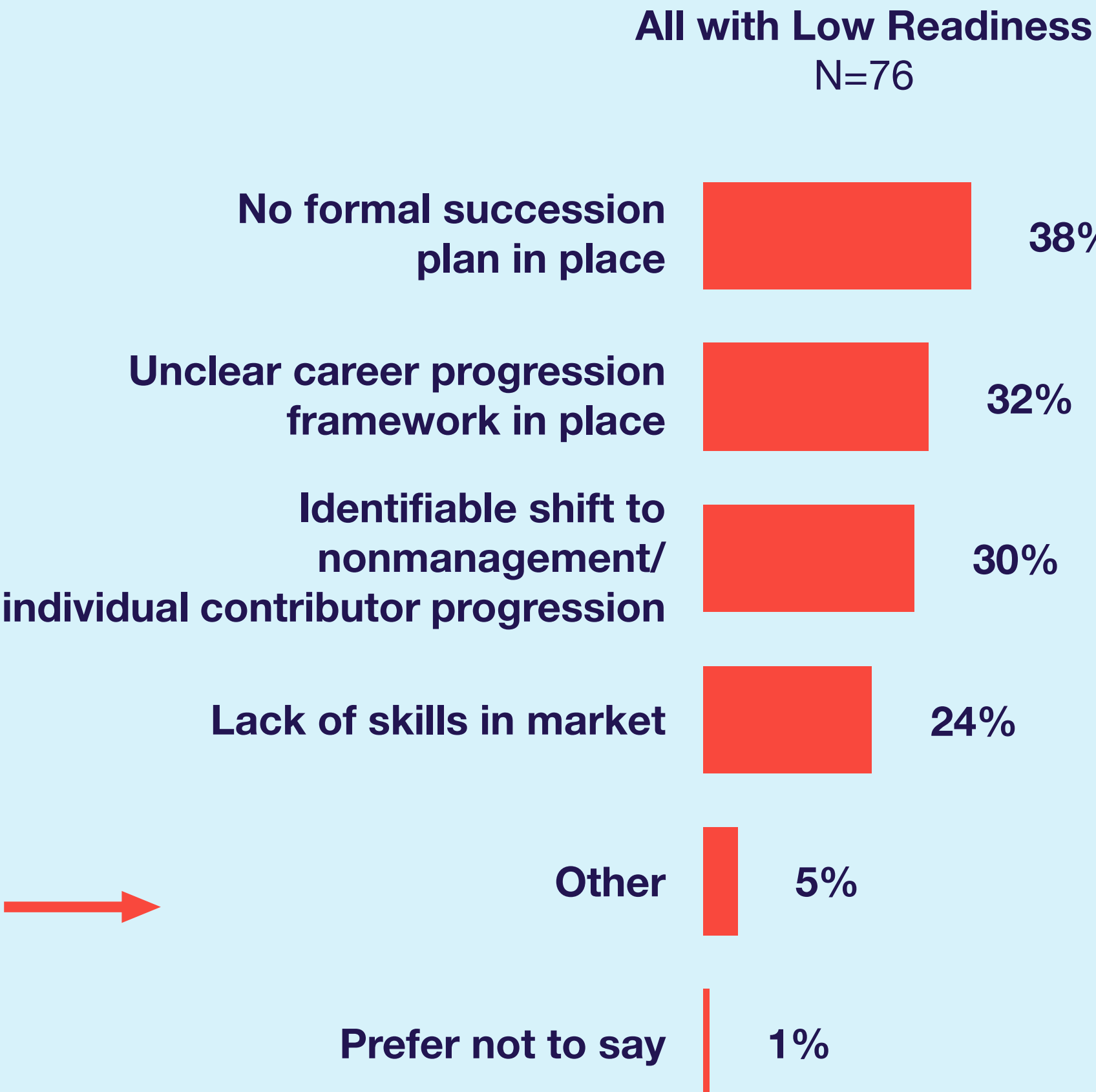
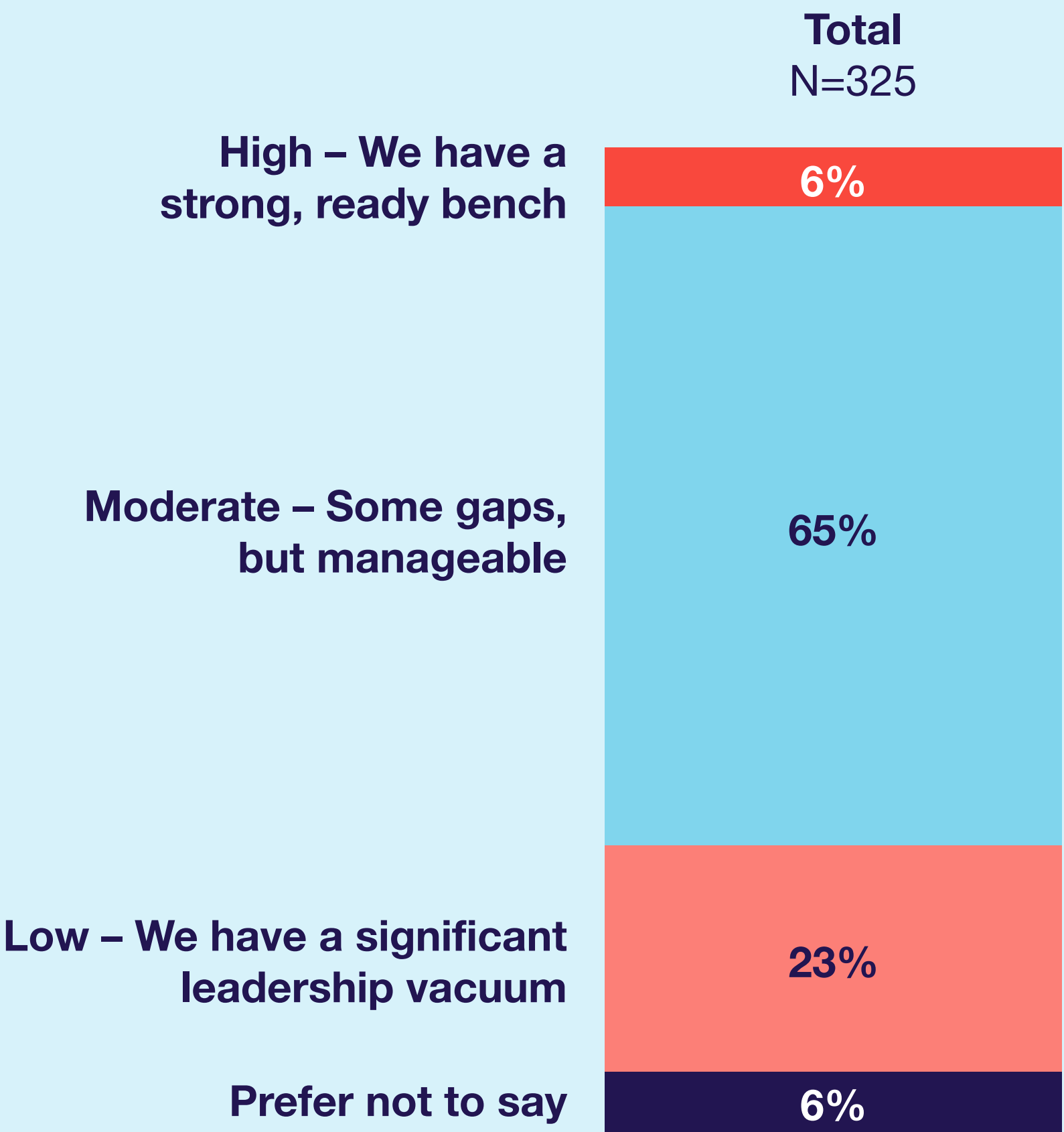
What methods does your organisation use to assess employee skills?



Leadership Development

‘Low’ readiness is attributed to a lack of, or an unclear, succession framework however Succession Management is now a lower priority for the coming year (down from 40% in 2025 to 27% currently).

How would you rate the current “readiness” of your middle-management pipeline to take on senior leadership roles within 2 years?
Why do you rate this as low?



Section 5

HR Trends



Hybrid and Remote Working

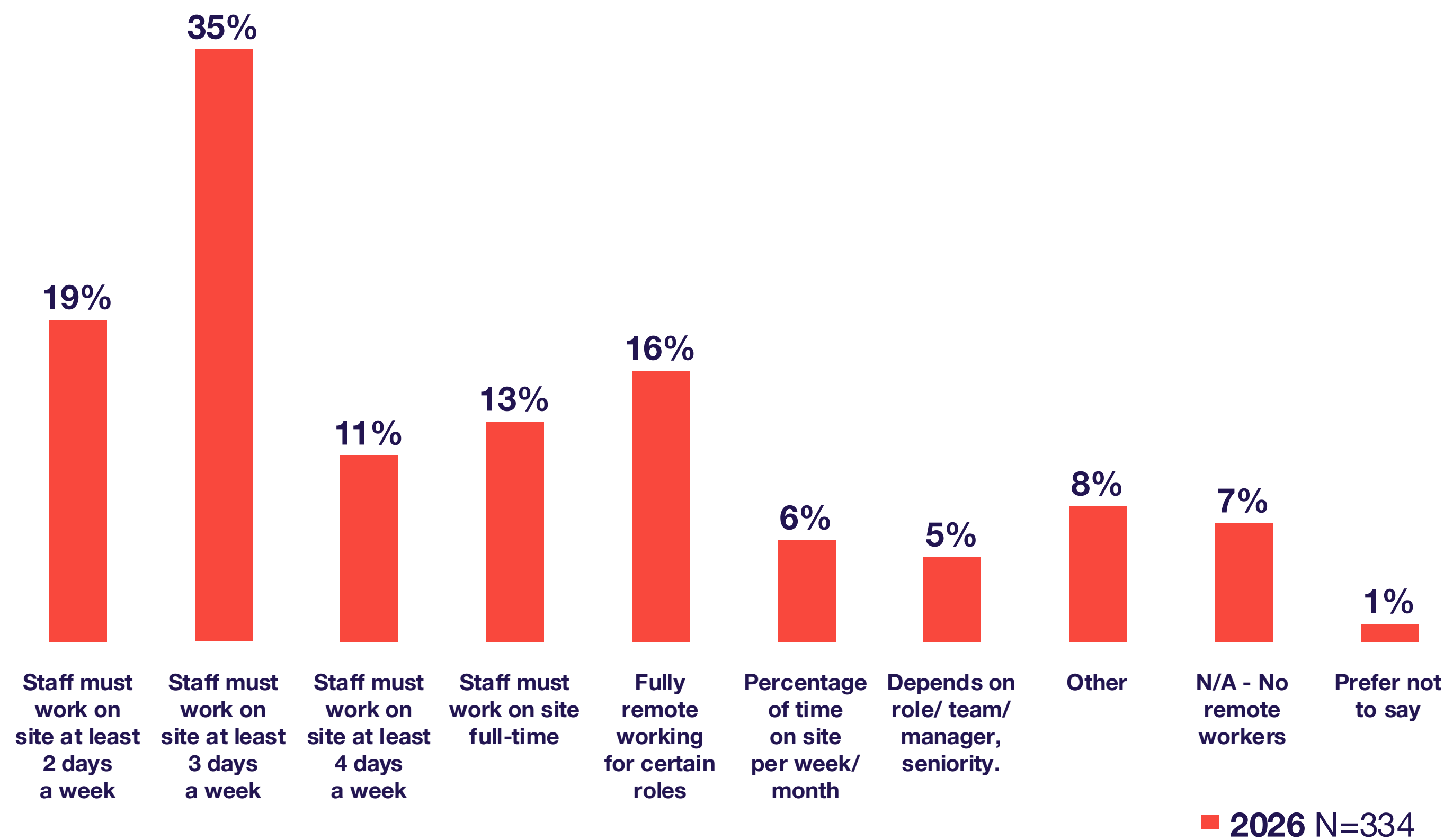
The percentage of staff working hybrid to some extent remains largely stable with 35% working at least 3 days on site a week as the most popular followed by the requirement to work on site at least 2 days per week (19%).

The survey results show that 19% of respondents state productivity and outcome alignment as their number one driver for their hybrid model, and 47% place this in the top three, yet 74% are not measuring changes in productivity or performance against their model.



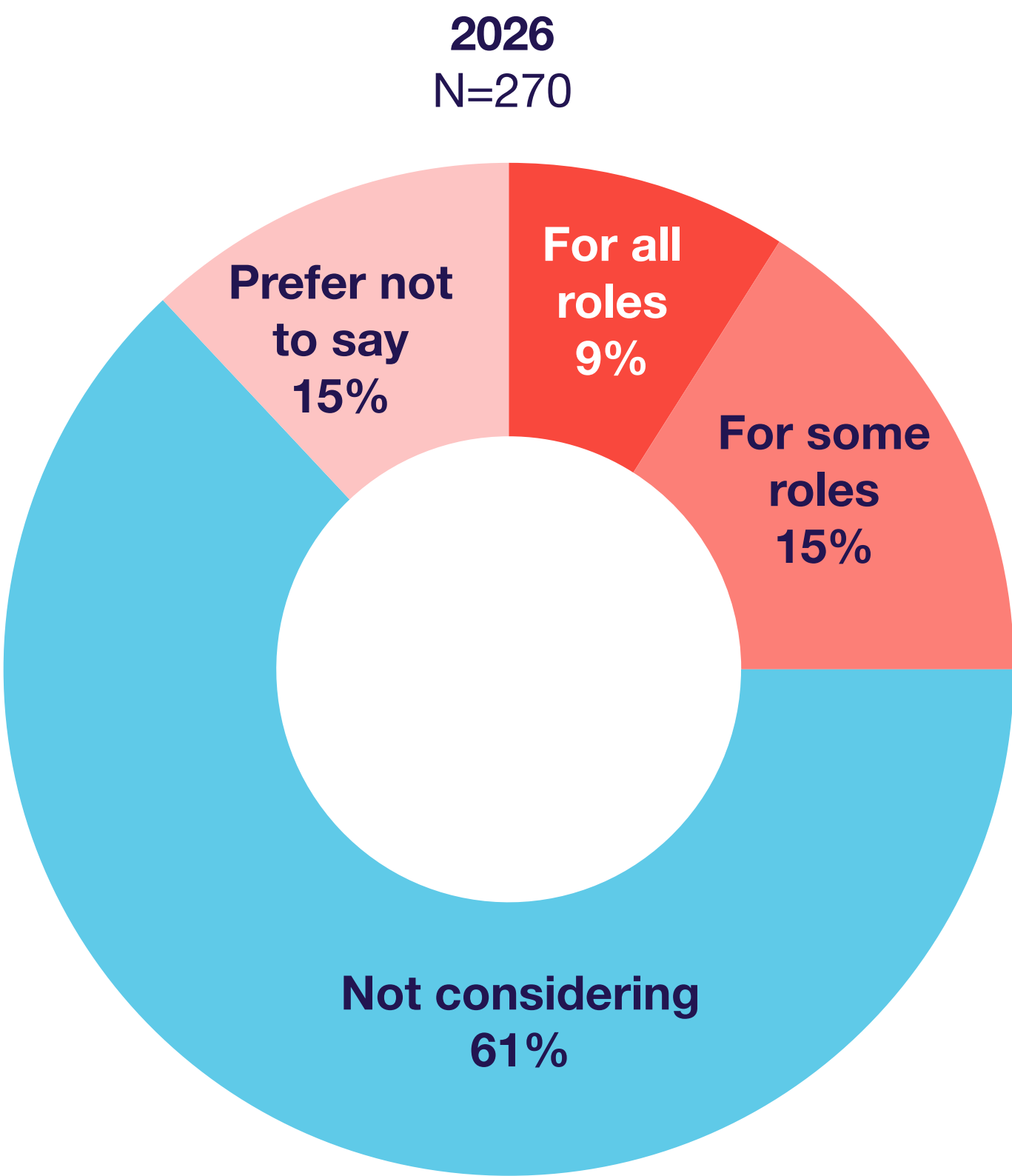
Business operating model

For workers where, remote/hybrid is possible, what is your organisation’s model of working?



Changes to on-site requirements

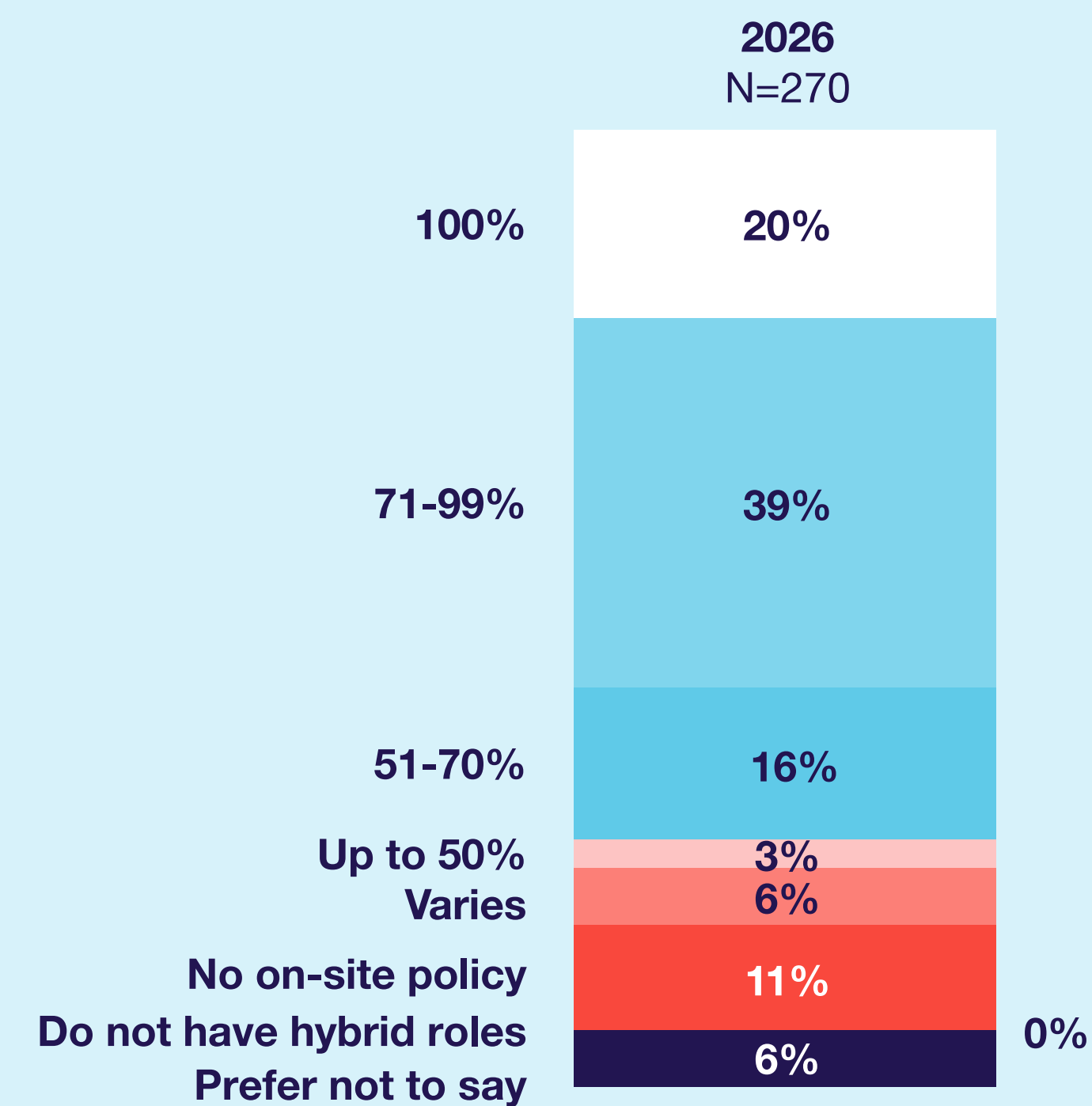
Is your organisation actively considering increasing the time spend spent on site by employees?



Estimated compliance with on-site working

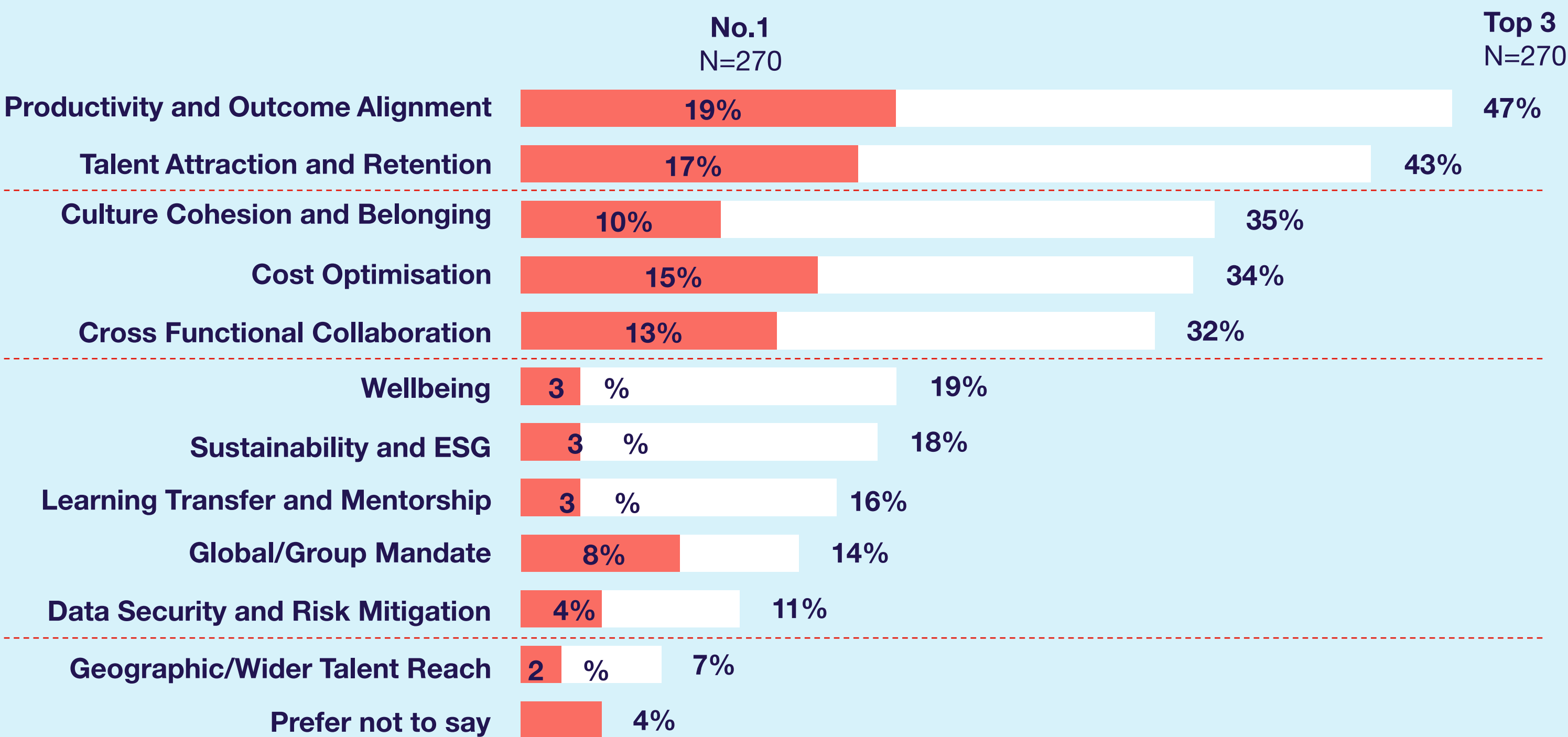
Compliance rates with on-site attendance has shifted, up to 20% full compliance from 16% reported in last year's survey.

What would you estimate the compliance rate with your organisation's onsite attendance policy is in a typical month?



What are the top 3 drivers of your organisation's current working model(s)?

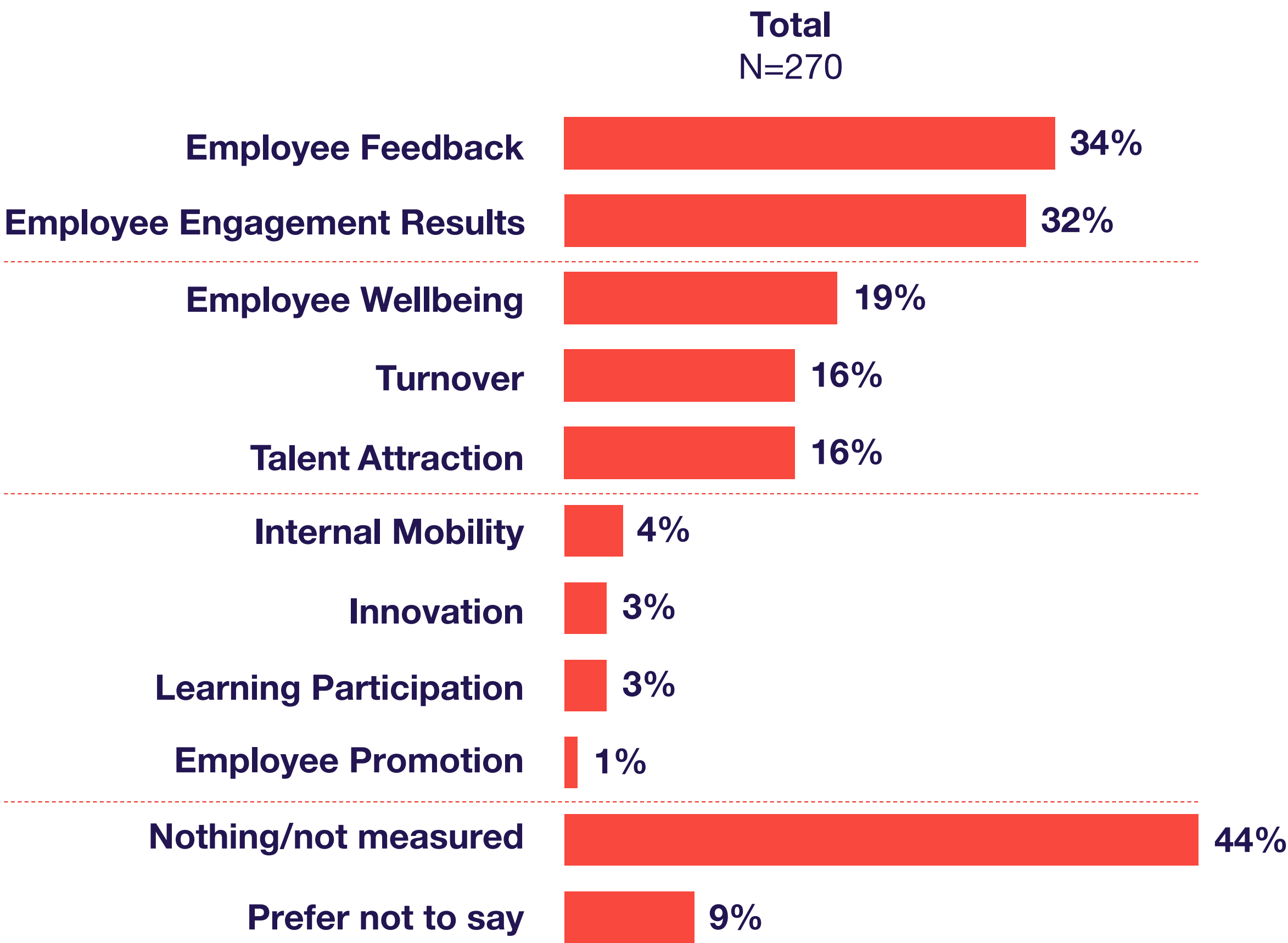
Please rank in order of strategic importance where 1 is the most important, 2 is the next most important and so on.



Effectiveness measures used for remote working

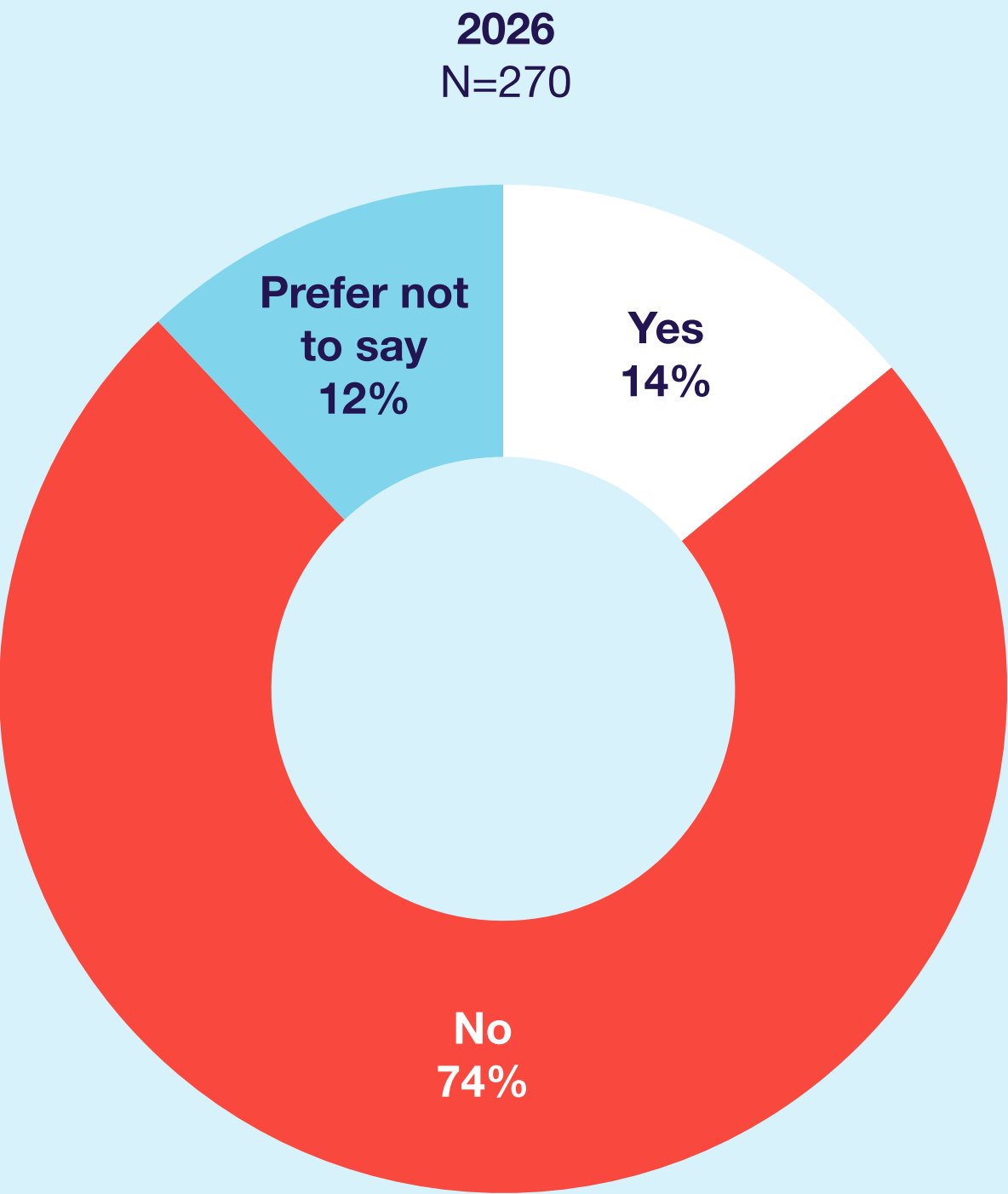
Which, if any, of the following does your organisation use to assess the effectiveness of remote/hybrid working? Please select all that apply.

Most measure effectiveness with employee feedback 34%, engagement results 32%, and employee wellbeing 19%, but 44% of companies do not measure effectiveness at all.



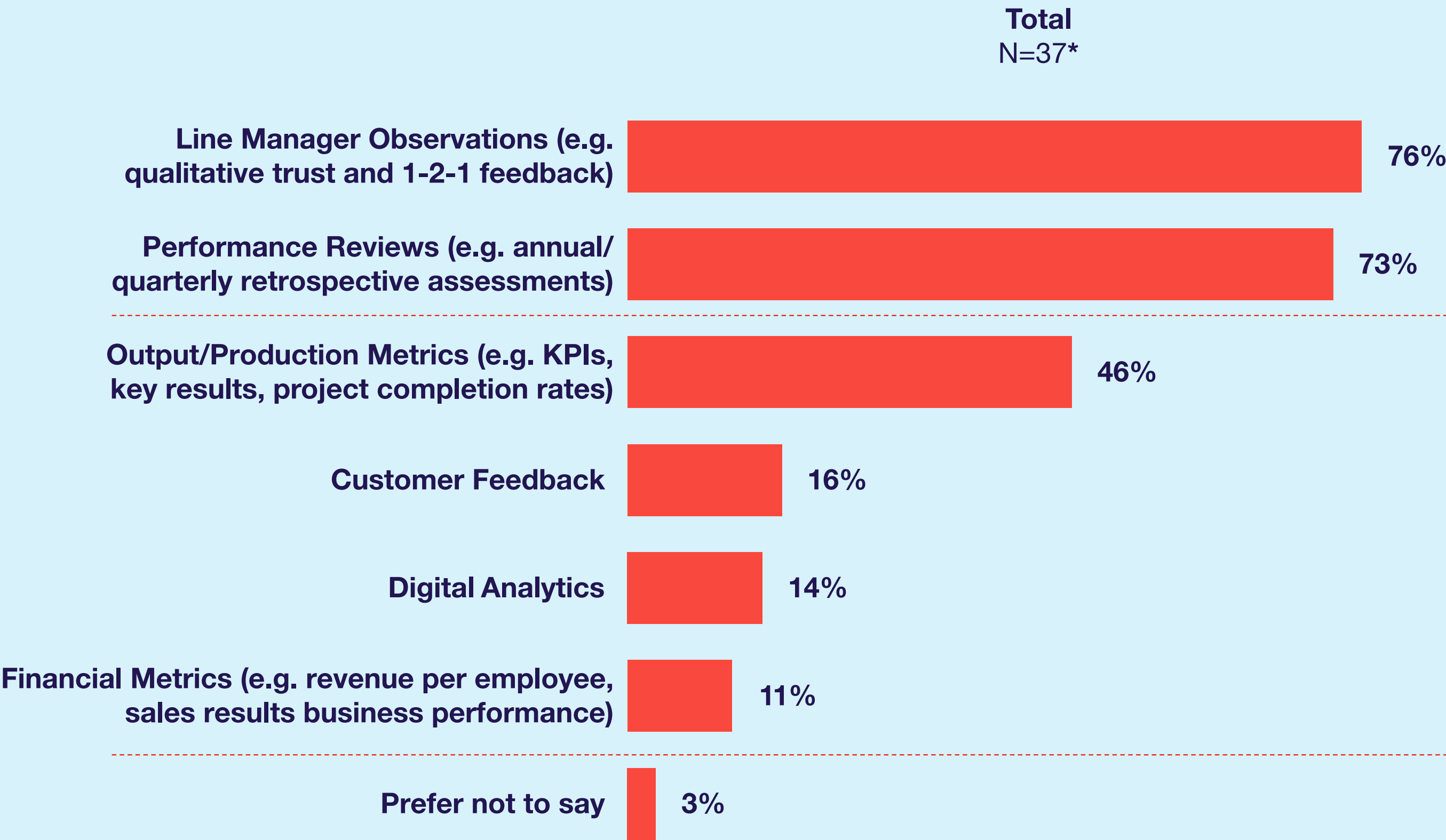
Incidence of measuring productivity changes

Are you measuring changes in performance / productivity in a hybrid / remote working environment?



How productivity changes are measured

How is your organisation measuring performance and / or productivity in a hybrid/remote working environment?
Please select all that apply



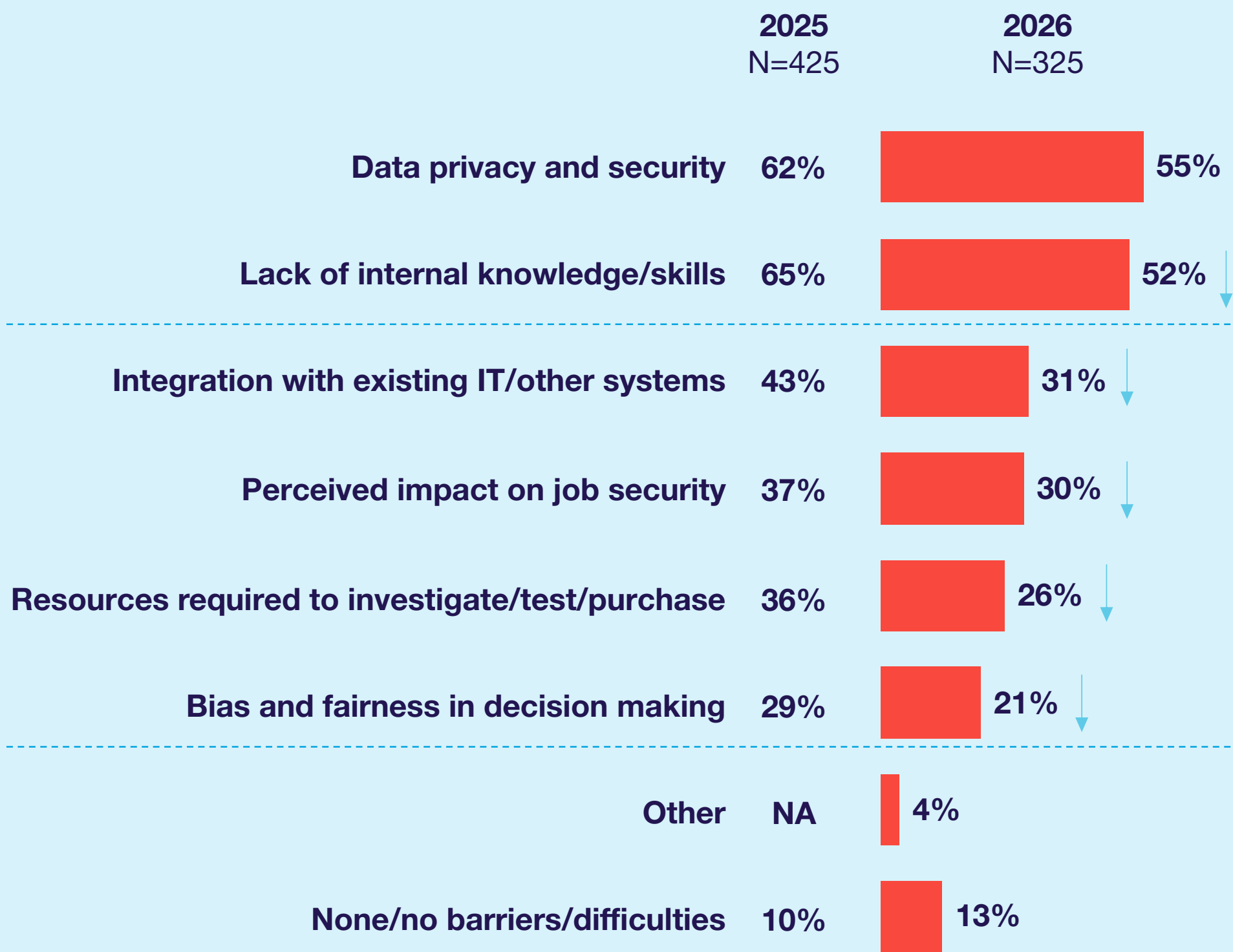
AI and HR

The barriers to using AI in HR remain broadly the same but are mentioned at lower levels suggesting positive changes in the integration of AI in HR activities. The use of AI is not expected to negatively impact headcount although almost 4 in 10 (36%) of organisations have not modelled the impact of AI on the workforce structure yet. 4 in 10 respondents state HR (44%) have a leading or partnering influence on the organisation's wider AI strategy. However 37% of respondents say HR has little to no involvement in AI Strategy. The greatest perceived value of AI is reducing administrative work (60%), a task that can take up a quarter of HR practitioners working week on average according to our data.



Barriers to AI use for HR purposes

What are the barriers or difficulties faced by HR in the Republic of Ireland in relation to using AI?



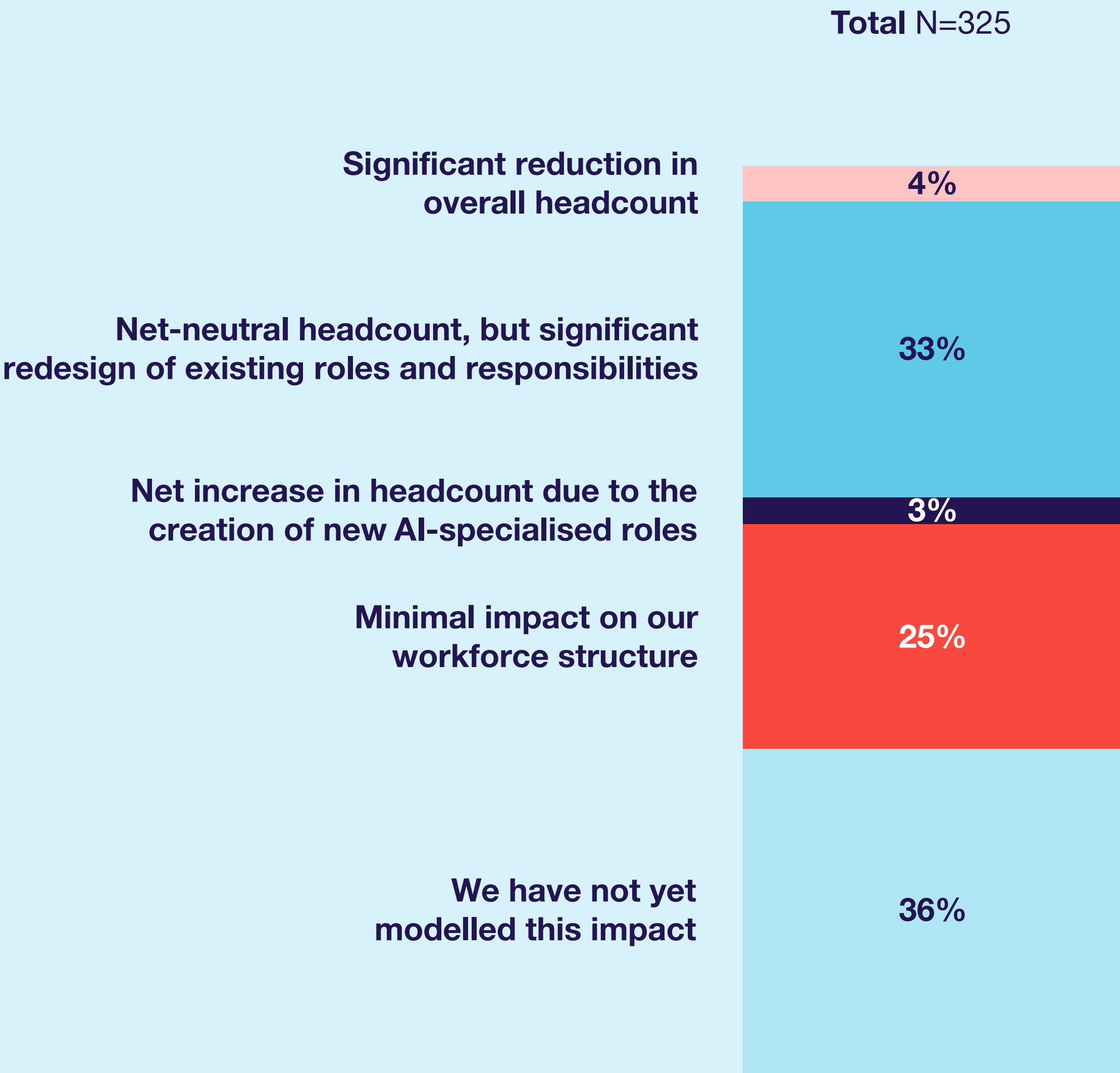
Impact of AI on employee lifecycle

Over the next 12–18 months, in which areas of the employee lifecycle do you believe AI will drive the most significant strategic value for your organisation? Please select all that apply.



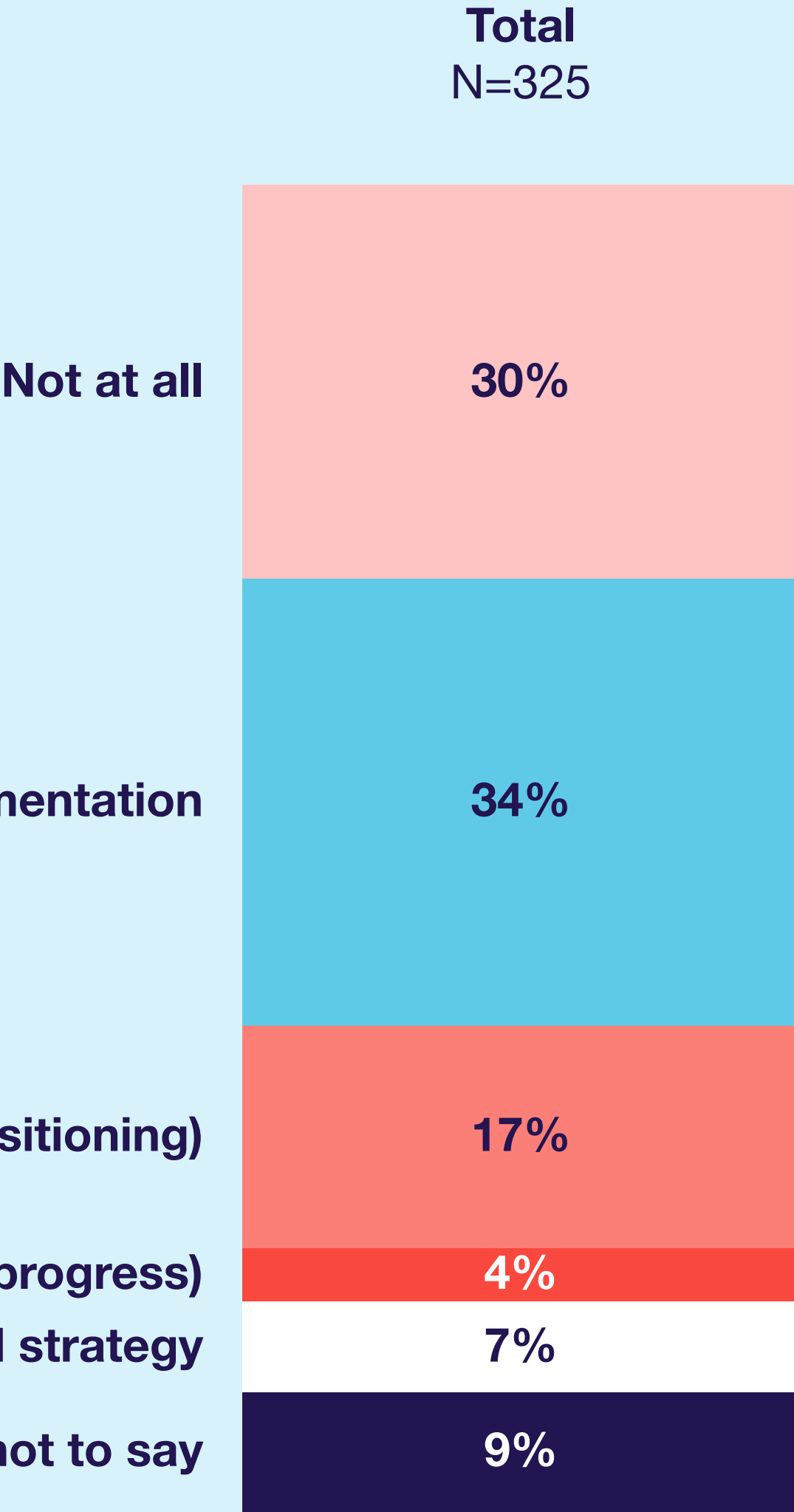
Impact of AI on workforce structure

Looking ahead 1-3 years, how do you anticipate AI most significantly impacting your organisation's workforce structure?



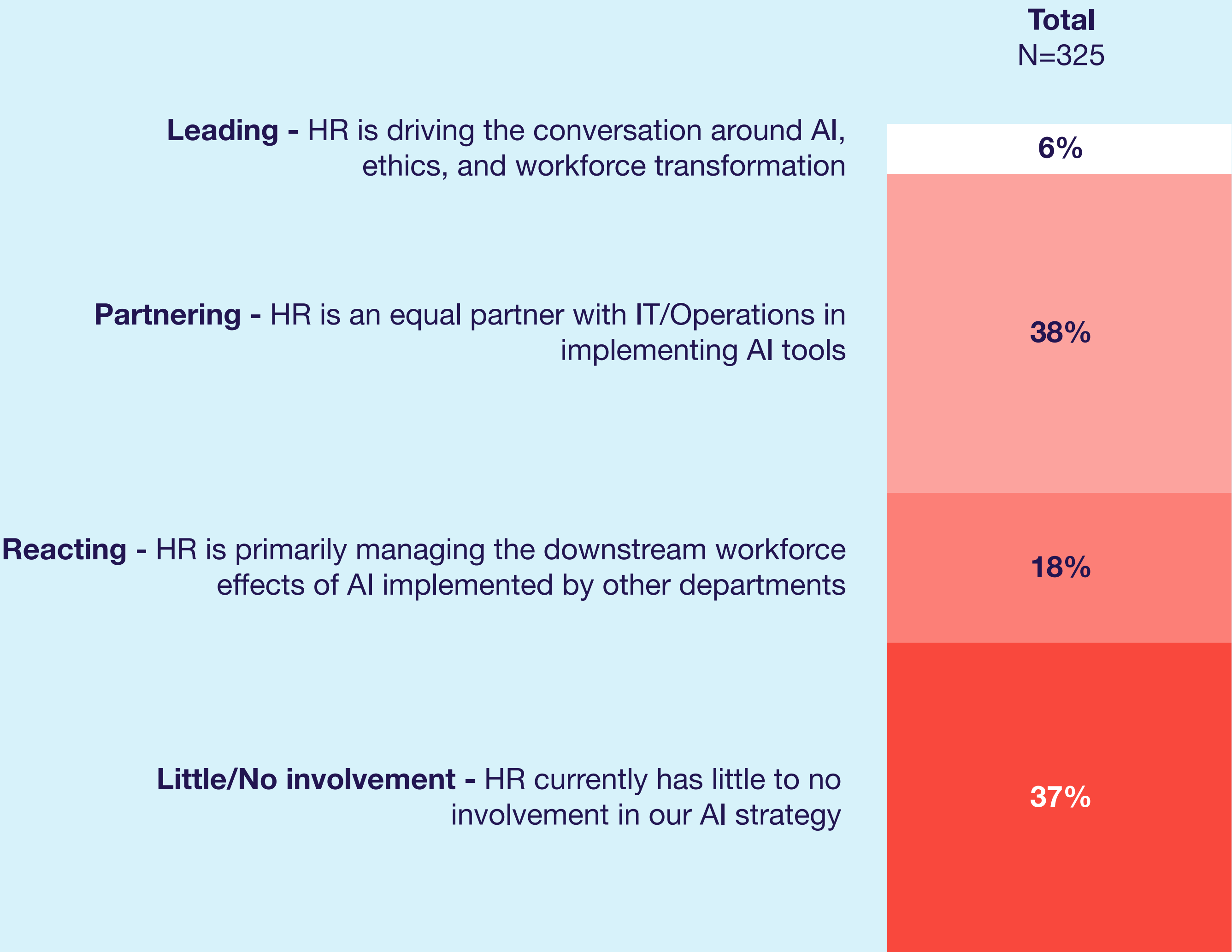
Impact of AI on talent strategy

To what extent is AI integration driving a shift from traditional “job-based” hiring to a “skills-based” talent strategy within your organisation?



HR influence on wider AI strategy

Which statement best describes HR’s influence on your organisation’s wider AI strategy?



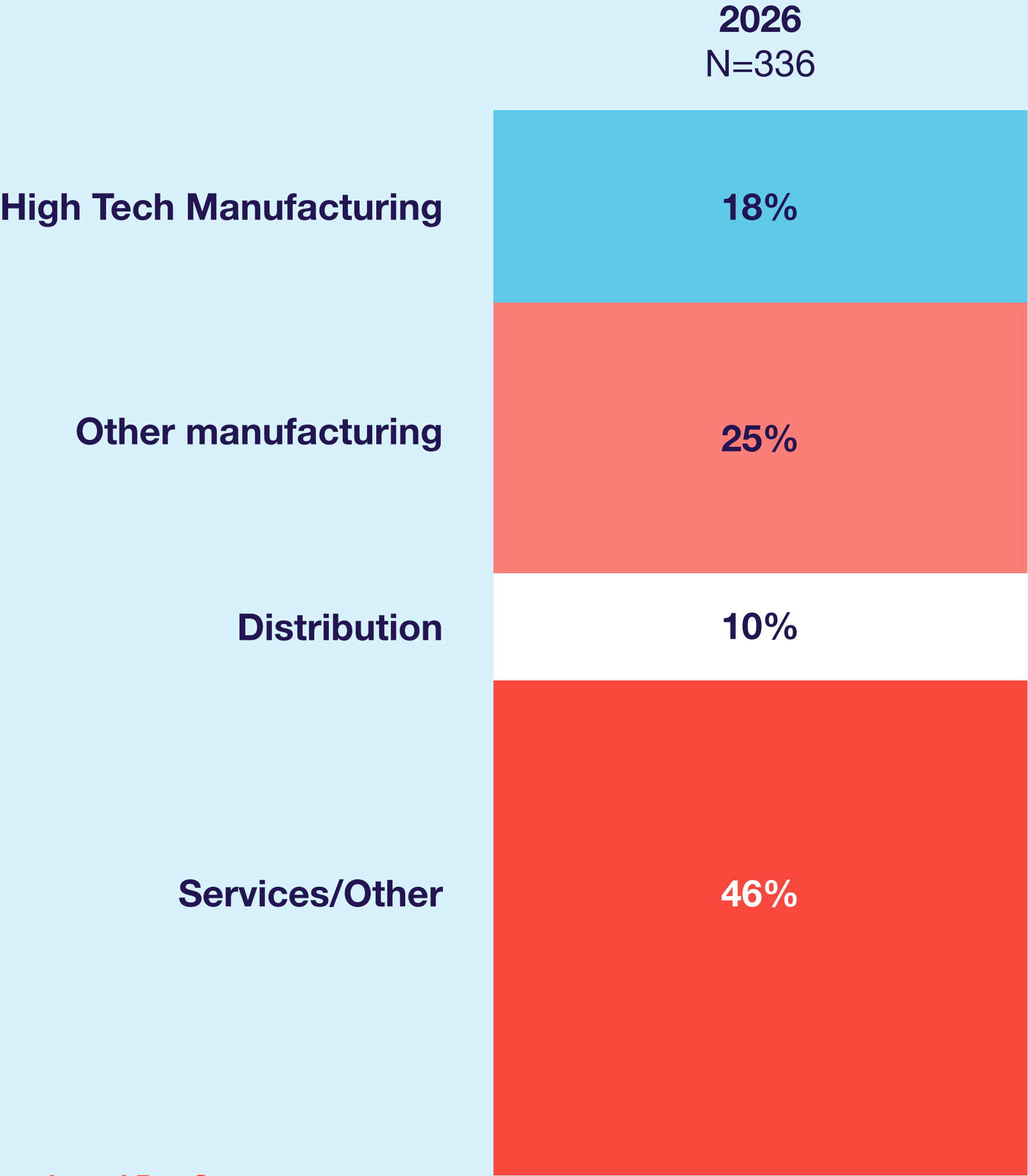
Section 6

Participant Profile



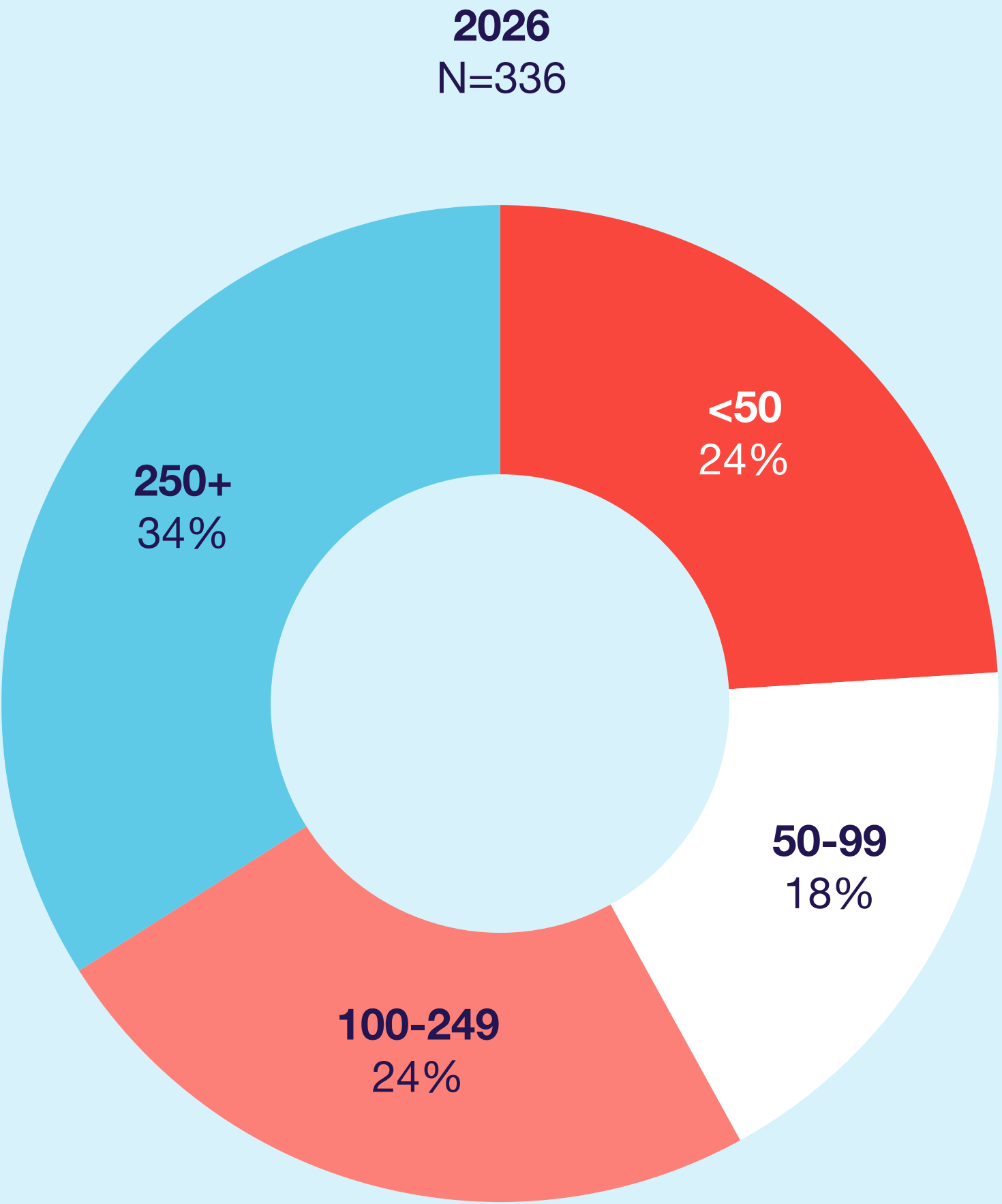
Industry Sector

Which of the following industries is your organisation mainly involved in?



Industry Size

How many employees does your organisation have in Ireland in total?



Composition of workforce – Nationality

Which one of the following best describes the composition of your organisation's workforce in the Republic of Ireland?

Mostly Irish Nationals
(80% or more)

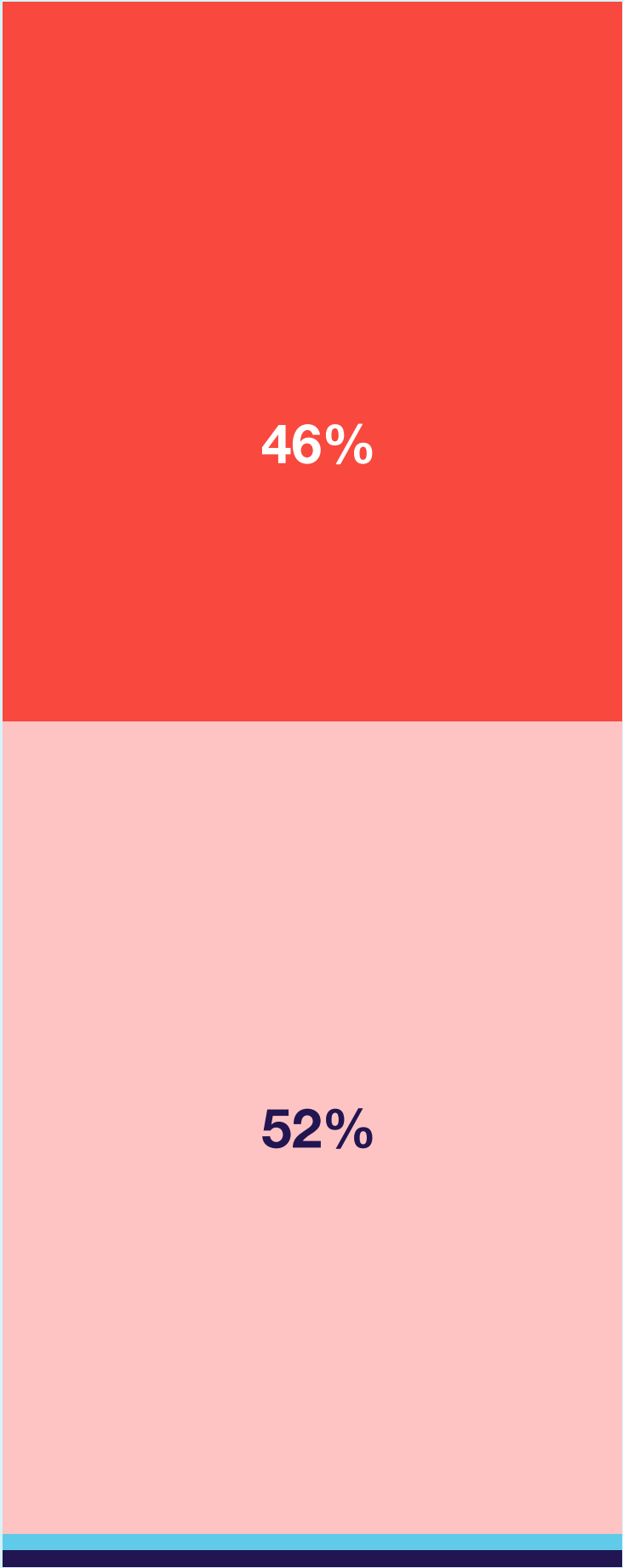
A mix of Irish and
other nationalities

Mostly other nationalities
(80% or more)
Don't know

1%

1%

2026
N=336



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Dublin

Ibec Head Office
84/86 Lower Baggot Street,
Dublin 2, D02 H720.
T: (01) 605 1500
E: membership@ibec.ie
W: ibec.ie/membership

Limerick

Ibec Mid-West, Gardner House,
Bank Place, Charlotte Quay,
Limerick, V94 HT2Y.
T: (061) 410411
E: midwest@ibec.ie
W: ibec.ie/midwest

Galway

Ibec West, 4th Floor,
Hibernian House,
45 Eyre Square,
Galway, H91 XYE0.
T: (091) 561 109
E: galway@ibec.ie
W: ibec.ie/west

Donegal

Ibec North West, 3rd Floor
Pier One, Quay Street,
Donegal Town, Donegal,
F94 KN96.
T: (074) 972 4280
E: northwest@ibec.ie
W: ibec.ie/northwest

Cork

Ibec South, 2nd Floor,
Penrose One, Penrose Dock,
Cork, T23KW 81.
T: (021) 429 5511
E: cork@ibec.ie
W: ibec.ie/cork

Waterford

Ibec South East,
Unit 1A, First Floor,
Cleaboy Business Park,
Old Kilmeaden Road,
Waterford, X91 DEC4.
T: (051) 331 260
E: southeast@ibec.ie
W: ibec.ie/southeast