2025

STORM TECHNOLOGY'S MODERN WORKPLACE REPORT

AI ADVANTAGES, PEOPLE DYNAMICS & DATA DILEMMAS – THE TRENDS DEFINING TODAY'S MODERN WORKPLACE.

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Foreword

With cutting-edge technologies and extensive datasets at their disposal, modern businesses have the opportunity to drive innovation, make an impact and achieve success. However, this opportunity can only be realised if organisations effectively adapt to AI, empower people and manage data.

Given that both AI and data can serve as competitive advantages in today's world of business, it has never been more important for leaders to leverage this potential. In fact, their future survival could count on it.

To better understand the key issues facing companies from an IT perspective, we commissioned an independent survey to get the opinions of 200 IT decision-makers and leaders across Ireland and the UK (100 respondents per market).

The research delved into how organisations are getting to grips with AI solutions and strategies, balancing people's expectations and engagement with AI, and dealing with data management and governance.

A number of equilibriums emerged: the promise of AI and the efficacy of its application, the wellbeing boost and people's apprehension, the concern over security alongside a lack of enforcement around governance, and the need for modern technologies considering reliance on legacy systems for data purposes.

Getting the balance right across these various areas not only impacts on those within these companies but extends beyond to include partners and customers. In other words, these issues are shaping not just operational

efficiency, staff productivity and system security but also service delivery, customer satisfaction and business performance.

As well as deploying technologies, business leaders also need to consider the supporting processes and strategies – including security, governance, compliance, education and training. Moreover, it is not a case that what works for one organisation will work for another – approaches need to be adjusted in line with the specific requirements and objectives of the business.

It is also a continuous journey. A once off investment will not suffice. IT strategies need to be reviewed and adjusted to overcome short-term challenges and ensure long-term success. Only then will companies be able to truly thrive and grow.

Karl Flannery

Chief Executive Officer

Storm Technology

Investing in the Promise of AI

From the news headlines to the boardroom agenda, AI is everywhere. However, it doesn't appear to be working for everyone. In fact, our research showed that 69% of IT leaders say a failure to successfully implement AI is costing their company money.

Not only is this proving to be a problem for organisations right now, but it also has the potential to impact future prospects and plans, with a similar proportion (71%) of the opinion that their organisation will lose market share or competitive advantage within the next 3 years if they do not invest effectively in AI. Echoing this, 82% agree their company needs to invest in updating technologies and tools to be competitive.

IT leaders clearly view AI as pivotal to staying ahead, being competitive and standing out in the marketplace – so what is the issue?

It seems that there is a reluctance or delay in terms of businesses embarking on AI journeys. In fact, two thirds (66%) of IT leaders believe their organisation is taking too long to leverage the potential of AI. This rose to more than three quarters (77%) of respondents in Ireland, significantly more than the 55% of UK respondents to felt this.

Alongside this hesitancy, it appears that others have tried and perhaps failed in their efforts to effectively leverage AI for their business, with some 63% of IT leaders revealing that their company has become disillusioned by AI. Again, a higher proportion of respondents from Ireland (70%) expressed this view.

Despite this, a significant majority (70%) believe that their organisation should spend more on AI in 2025. This is crucial because it indicates that it's not a case of IT leaders not seeing the value of it but rather that it simply isn't being realised yet.

In terms of the anticipated investment in AI for 2025 among businesses in Ireland, that came in at approximately €491,250 on average – marking a 42% increase from the estimated AI spend for 2024 and indicating that AI budgets aren't necessarily the reason organisations are failing in their AI strategies. Similarly, respondents in the UK estimated AI spend for 2025 coming in a just shy of £515,000.

Among all respondents, AI is one of the top five priority areas for IT spend over the next year (35%). The others are cybersecurity (37%), cloud infrastructure (30%), technology training (26%), and data analytics (25%). Where businesses are currently leveraging AI, 36% are deploying it in Operations, followed closely by Marketing (35%), and then Finance (31%).

The survey also revealed the main benefits of AI usage as driving business growth (29%), enhanced customer service (28%), and improved data analysis, reporting or insights (28%). However, just a fifth of respondents in Ireland cited business growth as a main benefit of AI, compared to 38% of their UK counterparts.

There was some differentiation between SMBs and larger enterprises in terms of the main benefits. The top ones for SMBs were enhanced customer service (28%), business growth (27%) and reduced operating costs (26%). Meanwhile, larger enterprises saw business growth and data analytics as the top benefits (both 33%), followed by staff productivity (31%).

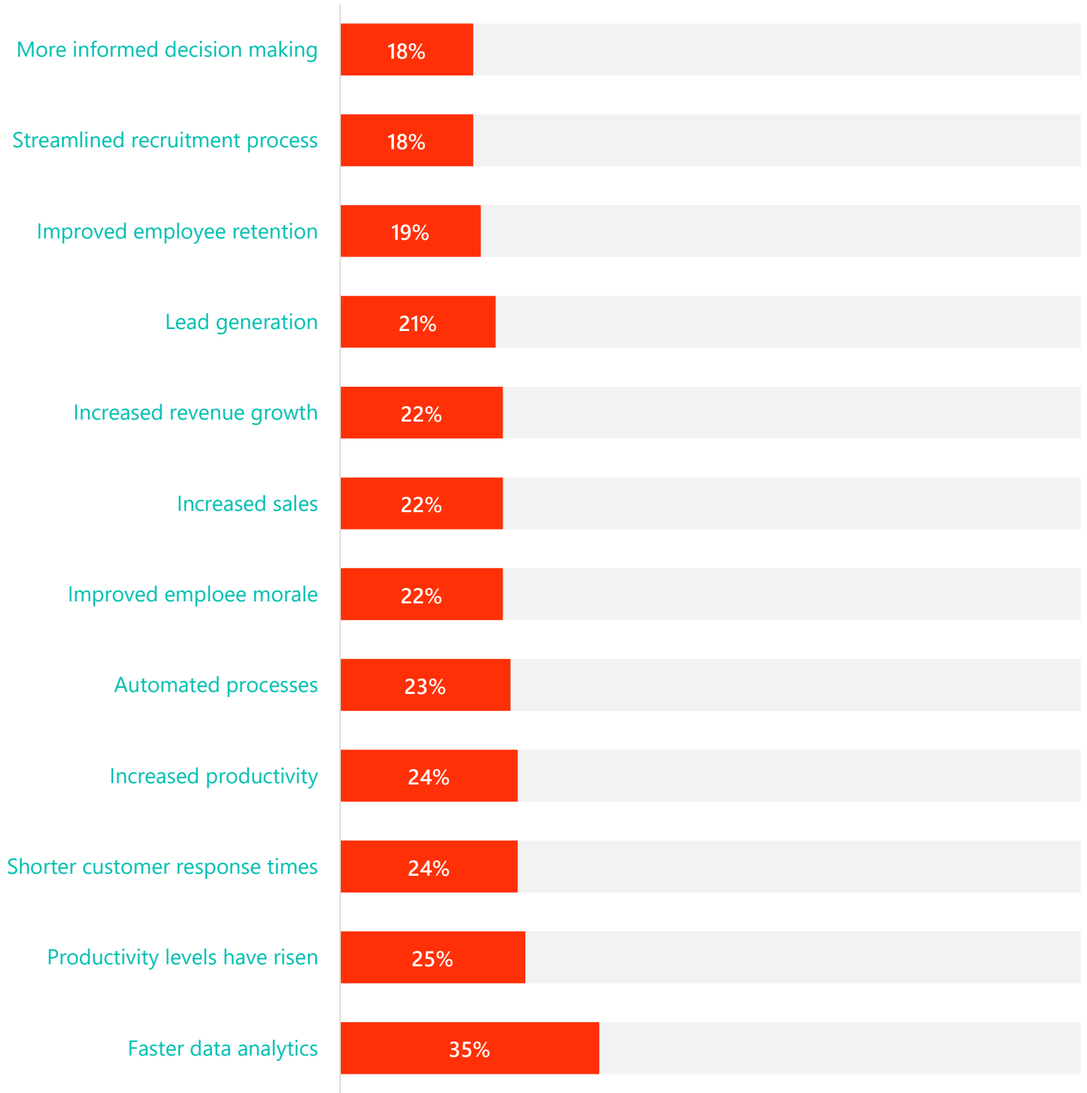
As for actual results being driven by AI among all respondents, faster data analytics came to the fore (35%), followed by productivity levels (25%). Shorter customer response times (24%), increased profitability (24%) and automated processes (23%) finished off the top five.

Do you agree or disagree with the following statement: **My organisation needs to invest in updating technologies and tools to be competitive**

The desire to invest in AI is clearly present, as is the evidence of its advantages among those who are using this technology. However, our research shows some shortcomings in terms of strategy, both in terms of timing and efficacy. It is therefore imperative that organisations develop their understanding and capability if they are to drive competitiveness and innovation through AI.

For some, it may be the case of just starting that journey and identifying where AI might be beneficial for business. For others, it could mean turning to expert partners to review and rejuvenate their strategy in this area – with 70% of IT leaders believing this is critical to AI success. Regardless, AI is everywhere, and that isn't going to change anytime soon.

What, if any, actual results have been driven by AI within your organisation?



Tackling the People Dynamic

Technology is only one half of the AI picture. The other is people. When it comes to AI, companies may find themselves caught up in a series of predicaments when it comes to employees. There could be a desire to deploy AI, but the team lacks the requisite knowledge or skills. There may also be concerns about security but a desire to be more efficient or productive with such emerging tools.

The bottom line is that businesses need to embrace AI or be left behind. That means understanding the human element, enabling people to drive success not only for the organisation but in their own roles within the modern workplace. In turn, there is the potential to enhance how we perform our responsibilities and manage work-related pressures.

Speaking of which, more than two thirds (68%) of IT leaders believe the use of AI by staff reduces stress levels and found that 60% think it will help reduce burnout in their organisation. In a similar vein, almost three quarters (72%) of respondents are of the opinion that AI would help employees to achieve a better work life balance.

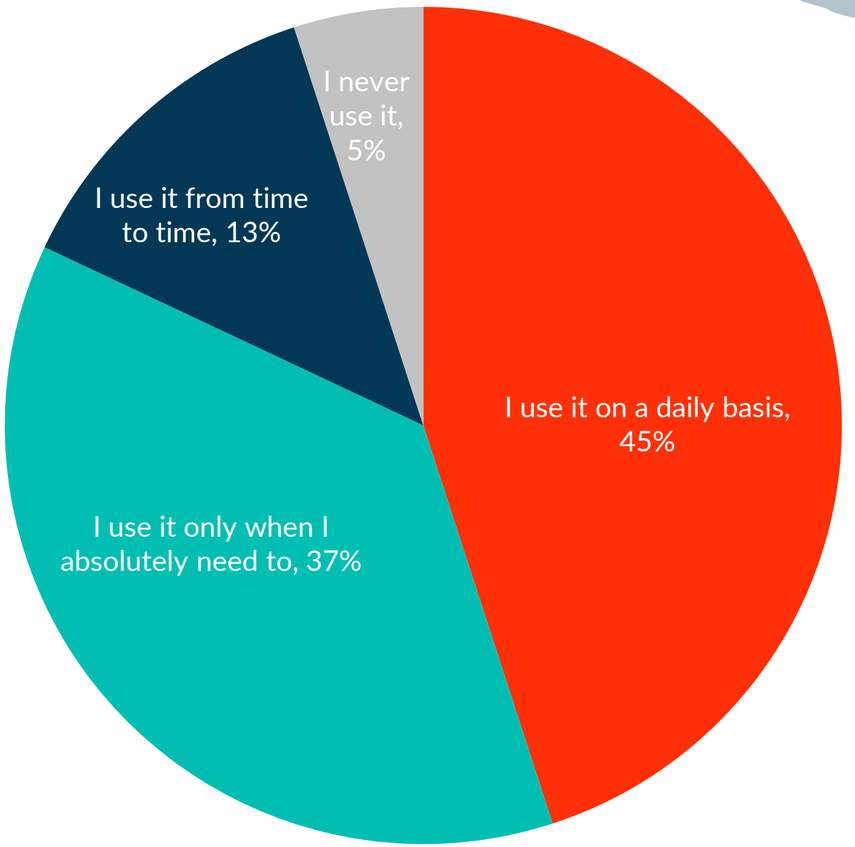
As well as overall benefits for people, some 66% think AI would allow employees to reduce manual repetitive tasks and focus on more meaningful work, with 57% optimistic about the potential impact of AI on their day-to-day routine. This makes sense for the business as a whole, with teams able to focus on more business-critical tasks and strategic initiatives.

Showing the influence of AI and the current level of uptake across businesses in Ireland and the UK, some 66% of IT leaders would prefer to work for a company that is more advanced in terms of AI adoption. This indicates that companies which embrace AI are more likely to have better attraction and retention levels, giving them an edge in terms of the competitive talent and recruitment landscape.

Does your organisation permit the usage of AI?

Would you prefer to work for a company that is more advanced in terms of AI adoption

Which of the following statements best describes your use of AI for work purposes?



It appears that many are already on that path with 72% of respondents already working in organisations which permit the use of AI and 67% using the technology to assist with their own work. In fact, almost half 45% use AI on a daily basis for work purposes and only 5% never use it at all.

However, the research found that barriers remain when it comes to AI adoption, the most cited one being a lack of understanding within the wider organisation about potential applications or benefits – selected by 31% of all respondents. This suggests that the influence and value of AI is confined to certain cohorts across the world of work.

Backing this up, nearly three quarters (73%) of IT leaders agree that user adoption is a concern when it comes to AI implementation. Furthermore, almost a third (30%) do not believe senior management in their organisation understand the potential of AI. For this technology to have a significant and long-term impact, everyone needs to be bought into the strategy and using it.

The other top barriers to AI adoption were revealed as the management of data, privacy and security (28%), lack of trust in AI (27%), employee resistance (27%), and a lack of AI skills in the organisation (27%). Furthermore, 20% cited increasing regulatory requirements as one of the top barriers.

Whilst the results among both SMBs and larger enterprises were largely consistent, employee resistance was among the top three barriers among SMBs, cited by 29% (it did not feature as highly among respondents working in larger enterprises). That could suggest that those working in SMBs are not as well equipped or educated when it comes to AI.

On the topic of AI skills, 40% of IT leaders do not believe their team currently has the technical skills or knowledge to implement or adopt AI. Perhaps unsurprisingly then, 70% think employees expect to receive AI training and enablement.

Again, these results demonstrate a shortcoming in terms of strategy, as opposed to technology. AI solutions need to be properly utilised and managed, with investment in education and training for people. Otherwise, AI deployment will be ineffective and its potential unused.

Ensuring Safe AI Usage

With the leading barriers to AI adoption cited as the management of data, privacy and security, alongside a lack of trust in AI, this arguably remains the biggest challenge for organisations. They need to ensure that they are using secure technologies but also safeguarding usage to protect staff, data and the business – not to mention any external parties such as partners and customers.

Our study revealed that a fifth (21%) of IT leaders do not have a high degree of trust in AI tools, with some 28% of the opinion that their company's governance around AI tools is not adequate. This rose to over a third (35%) among respondents in Ireland. This feeling was also reflected in the biggest concerns when it comes to AI and security over the next 12 months.

Delving into specific security concerns around AI, 34% of respondents cited data breaches as one of their biggest, followed by data protection (33%), and increased risk of adversarial/cyber-attacks (31%). Given the fast-evolving threat landscape, with more sophisticated and frequent attacks, this isn't surprising.

What might be surprising are some of the other concerns IT leaders have around AI. A quarter (25%) cited surveillance. The same proportion (25%) expressed concerns about shadow AI (the use of unapproved or unauthorised AI tools and technologies within an organisation, often without the knowledge or oversight of the IT or security department). Meanwhile, some 27% admitted that they are worried about their ability to detect deepfake attacks – which are becoming more prominent and were felt by more respondents from larger enterprises (33%) than SMBs (23%).

As well as types of attacks, just over three quarters (76%) of IT leaders agree that a lack of understanding around ethical and legal implications is a concern when considering AI implementation. In light of this, 79% agree their organisation needs to focus more on the regulation of AI tools.

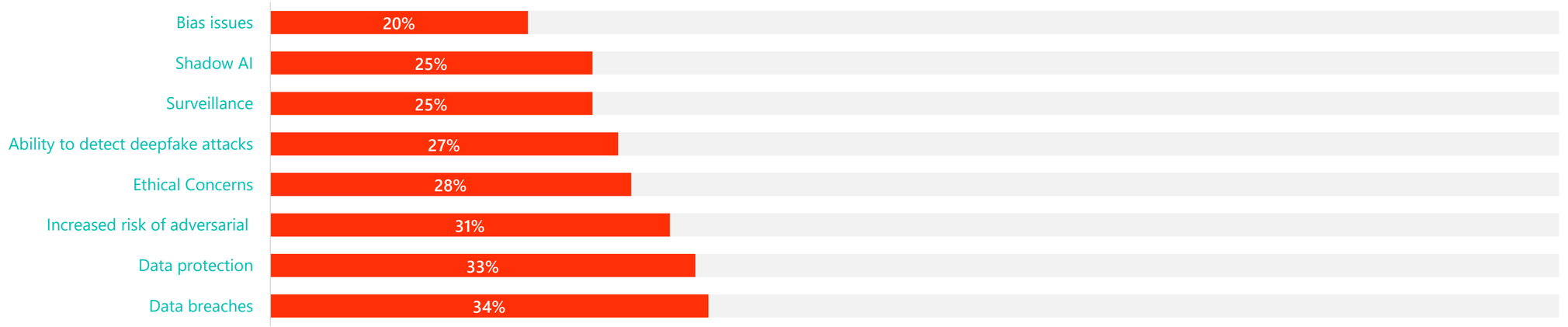
Worryingly, more than a third (39%) are not confident of their organisation's ability to secure AI-generated data against breaches and unauthorised access, while almost a third (32%) of companies do not have a strategy in place to address any AI risks that arise. This indicates a reactive rather than proactive approach, which isn't as effective in the event of a breach. Organisations need to be prepared for when (not if) an attack on their systems or operations is successful.

Business leaders must also look at internal threats, both maliciousness and carelessness. Given that our research found that half (50%) of IT leaders know that people in their organisation are using unsanctioned or unpermitted AI tools and some 55% have used such tools themselves for work activities, action is required so as not to leave the company vulnerable.

Perhaps exacerbating this issue, just 60% of companies have been specific about which AI tools are sanctioned or permitted – 68% of larger enterprises, compared to 54% of SMBs. A similar proportion of respondents (58%) think company data is safe to input into such tools. This indicates that work needs to be done in terms of awareness. However, with 77% of organisations having established a working policy to guide employees' use of AI, perhaps it's the enforcement piece which is lacking.

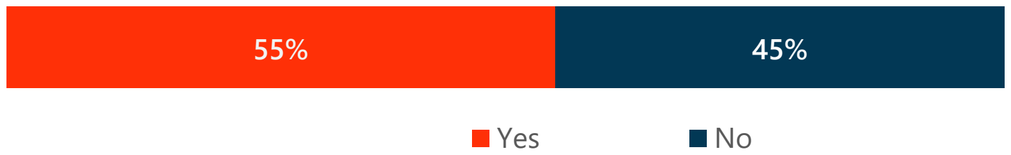
Business leaders need to create policies and processes to ensure that AI – or any technology for that matter – is used responsibly and ethically by employees. This depends on clarity and transparency around the tools people should use, the purposes for which they are intended, and potential risks associated with same.

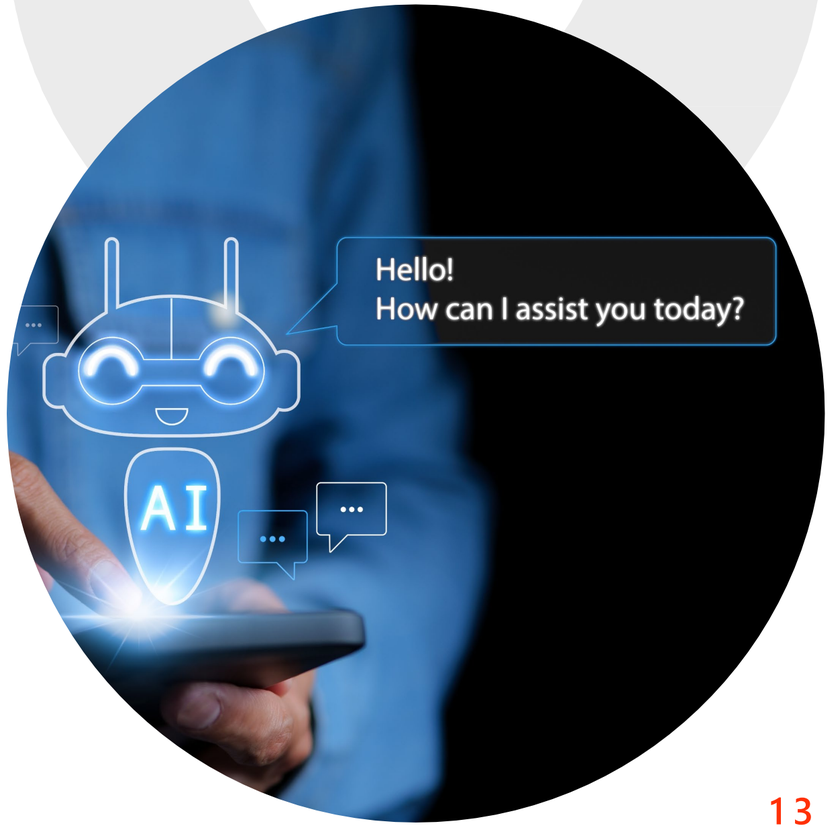
What, if anything are your biggest concerns when it comes to AI and security over the next 12 months?



Do you think company data is safe for input into unsanctioned /unpermitted AI tools?

Have you ever used unsanctioned/unpermitted AI tools for work activities?





Dealing with Data

One of the most valuable assets that businesses possess is data. Considering that the efficacy of AI tools is determined by the strength of the data that is input, the two are interdependent. That means companies need to adequately manage, clean and secure data being used by AI applications.

Again, it appears that this is an area that organisations need to focus on as part of their AI journey, with 24% of IT leaders not agreeing their data governance policies are robust enough to support secure AI adoption and a similar proportion (23%) are not confident in the security of the data they manage.

Moreover, almost a quarter (24%) of IT leaders also revealed that they do not think their business data is ready for AI.

When it comes to broader data management processes, 74% admitted their data sits in a number of fragmented systems, with 79% reliant on excel and/or manual processes to collate and analyse data – this rose to 85% of respondents in Ireland. Such approaches are not only likely to stifle innovation, including through AI, but also productivity and efficiency.

Some 73% of respondents are also concerned about increasing regulatory requirements around data management. Again, this is something that business leaders need to look at, otherwise they could leave themselves vulnerable to both risks and repercussions (including fines).

In terms of storing data, on average, organisations are storing 41% of their data in the cloud – with 70% expressing concerns about migrating data to the cloud. Moreover, some 23% do not have complete visibility of all their data – potentially posing a security risk.

These concerns could explain why over three quarters (78%) believe a data readiness project would be required to ensure successful AI adoption.

The findings suggest that companies are largely behind when it comes to best practices around data management. As well as jeopardising their standing from a cyber security and compliance perspective, this is likely to be negatively impacting employee productivity and business performance.

To what extent do you agree or disagree with the following statements:

"Our data sits in a number of fragmented systems"

"We believe a data readiness project would be required to ensure successful AI adoption"

"We are concerned about the increasing regulatory requirements around data management"

Afterword

The question is no longer *if* organisations should embrace AI, but *how* quickly they can act to harness its transformative potential. Yet, critical gaps remain in the areas identified for AI adoption, the processes established, and the tangible benefits realised. Time is of the essence.

To unlock the full power of AI and empower the modern workplace, businesses must urgently address two pressing challenges: the *people predicament* and the *data dilemma*. These are not optional hurdles—they are the foundation for effective AI implementation and meaningful outcomes.

When done right, AI doesn't just optimise internal operations or align with strategic goals; it becomes a catalyst for innovation, driving measurable impact for external stakeholders. But this progress cannot come at the expense of security or compliance. The stakes are too high.

Our research highlights key priorities that demand immediate attention—education, security, and data management. The advantages of embracing AI are clear: increased productivity, enhanced efficiency, and accelerated growth. Yet, these benefits will only materialise for those who act decisively.

AI is an evolving frontier, and it will continue to shape industries for years to come. But waiting to see how it unfolds is no longer an option. Businesses that hesitate risk being left behind, while those that act now will position themselves as leaders in their industries. The cost of inaction? The very future of their business.

The time to act is now. The future won't wait.

Recommendations

In order to effectively implement AI to empower the modern workplace, business leaders need to ensure that the foundation is in place to support innovation. With that in mind, here are some recommendations to support successful AI adoption:

1 Develop a Strategic AI Roadmap

Without a clear direction, AI initiatives often falter. In fact, 70% of leaders believe turning to expert partners to review and rejuvenate their AI strategy is crucial to success.

A well-defined roadmap including clear milestones and deliverables ensures AI investments are purposeful, scalable and aligned with business objectives – maximising impact while minimising risk. Key considerations include:

- Identification of high-impact use cases aligned with business goals and operational needs.
- Start with pilot projects to test and refine approaches before scaling.
- Regularly review and adapt strategies based on performance and evolving priorities.

2 Foster a Culture of AI Literacy & Learning

As with any technology transformation, AI adoption is not just a technical shift – it's a cultural one. In fact some 73% of IT leaders cited user adoption a concern when it comes to AI implementation. With this in mind Change Management & Adoption practices can support your team as they navigate the journey to becoming an AI powered organisation. Such practices include;

- Investing in continuous learning both guided and peer to peer knowledge transfer, to build AI fluency across the organisation.
- Equip leaders with the knowledge to make informed, strategic decisions about AI – and prioritise quick wins during early roll out to demonstrate ROI and gain widespread leadership support.
- Encourage open dialogue and experimentation, to reduce fear and user resistance.

3 Strengthen Data Governance & Infrastructure

With AI models powered by the data upon which they learn some 78% of organisations believe data readiness project is required to ensure successful AI adoption.

If the data is incomplete, inconsistent or inaccurate the AI outputs will be flawed, leading to negative user perception, poor decisions or even reputational damage. To ensure trustworthy and impactful outcomes:

- Establish clear data governance policies, focusing on quality, security and compliance.
- Modernise legacy systems to improve accessibility support deep system integration and the eliminate data silos.
- Reduce reliance on manual processes by streamlining data workflows and infrastructure.

4 Provide Safe, Access to Approved AI Tools

Unregulated AI can expose organisations to data breaches, compliance risks and inconsistent outcomes yet 50% of IT leaders reported the use of unsanctioned/unpermitted AI systems within their organisation.

By offering secure, approved tools and clear usage policies, businesses can harness AI's benefits while maintaining control and accountability. To mitigate risks such as shadow AI and data breaches;

- Provide your teams with access to AI solutions that have been assessed by your IT function for alignment with organisational policies.
- Provide clear usage guidelines and ensure these are well communicated.
- Monitor usage to ensure compliance and identify opportunities for further enablement.

5 Embed Responsible and Ethical AI Practices

As AI becomes more influential in shaping decisions, ensuring its use is fair transparent and accountable is essential. With 76% of respondents agreeing that a lack of understanding around ethical and legal implications is a concern, embedding ethical practices not only build trust but also protects organisations from reputational, legal and regulatory risk.

Some ethical practices to consider:

- Ensure transparency in how AI systems operate and make decisions
- Address potential biases and ensure fairness in AI outcomes.
- Stay ahead of regulatory developments and proactively manage both legal and ethical risks.

6 Optimise the Digital Workplace for AI Integration

Although some 74% of IT leaders acknowledge that their data is dispersed across fragmented systems, achieving digital maturity is critical to unlock the true value of AI. The following actions are key to embedding AI into everyday workflows – empowering teams to work more intelligently, collaborate seamlessly, and prioritise strategic initiatives.

- Automate routine tasks to release capacity for high-impact, strategic work.
- Design AI-integrated workflows that align naturally with daily operations.
- Optimise collaboration and communication tools to drive productivity and efficiency.

7 Take a Proactive Approach to Security & Risk Management

From data breaches (24%), to data protection (33%) and increased risk of adversarial/cyber-attacks (31%) cyber security remains a concern for those considering implementation of AI. Proactively managing AI-related risks will helps organisations stay ahead of emerging threats and regulatory pressures.

These steps protect sensitive data, ensure business continuity, and build stakeholder trust in AI initiatives.

- Implement robust cybersecurity measures tailored to AI-specific threats.
- Educate employees on risks such as deepfakes, data misuse and unauthorised tools.
- Develop incident response plans that include AI-related scenarios.

About Storm Technology

Founded in 1995, Storm Technology (a Littlefish company) is a leading Microsoft business technology consultancy with over 30 years of experience driving client success through digital transformation. Delivering solution and service excellence, underpinned by future-ready data architecture, Storm helps customers to scale and drive business impact.

With offices across Ireland and the UK, Storm Technology alongside their sister company Littlefish delivers managed IT services, cybersecurity and digital solutions across a wide range of industry sectors including but not limited to public sector, hospitality, construction, utilities, sustainable energy, and professional services.

For more information visit www.storm.ie →