



**Scotland**  
**Institiud Stiùirichean na h-Alba**



# **State of the Nation Directors Survey 2024**





# Background

**IoD Scotland introduced this important annual survey in 2021 to help us to understand and support our members and their organisations better.**

As well as helping to inform our future service planning, the State of the Nation Survey responses support us to better represent and reflect the views of our members in our policy engagement with both the Scottish and UK Governments.

We have built upon last year's survey by maintaining the same focus on themes such as the economy and taxation, but have introduced new questions to allow our membership to give a more rounded view of their thoughts on the role and approach of the Scottish Government in these areas.

Ongoing analysis of the results will enable us to ensure that through our work streams we are responding to and reflecting the key policy issues for our Scottish members.

## Introduction

The State of the Nation Survey was open to responses from members of the Institute of Directors in Scotland from 22 January 2024 until 4 March 2024.

In that time a total of 19% of the IoD Scotland membership took part in the survey.

No responses were disqualified from inclusion.

## Next steps

The IoD will be welcoming a Devolved Nations Policy Manager to the organisation in Q2 2024. The State of the Nation Survey will be integral to their role in Scotland.

IoD Scotland will use the results of this survey as the basis for planning our engagement and activities with our members over the course of 2024. The answers you have shared give us a clearer steer from you on key issues, and we now want to think about how we use this information to feed in your insight and experience to policy and decision-makers at both a Scottish and UK Government level.



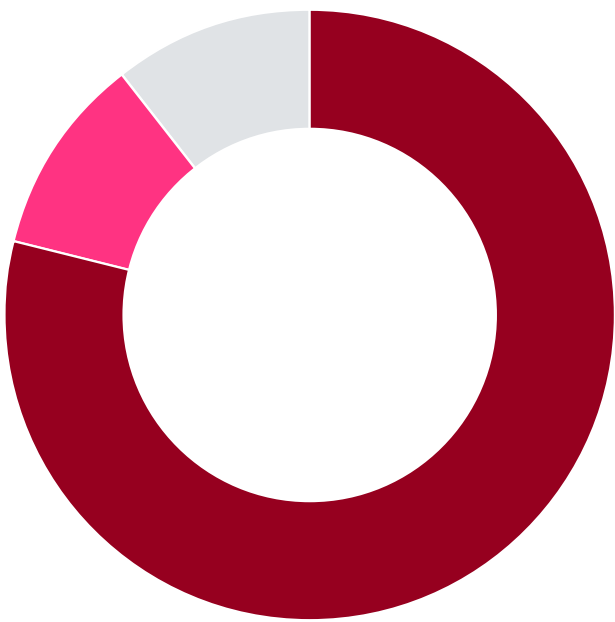
**Thank you to all those who have fed into this important research. We look forward to further discussions with you all throughout 2024.**



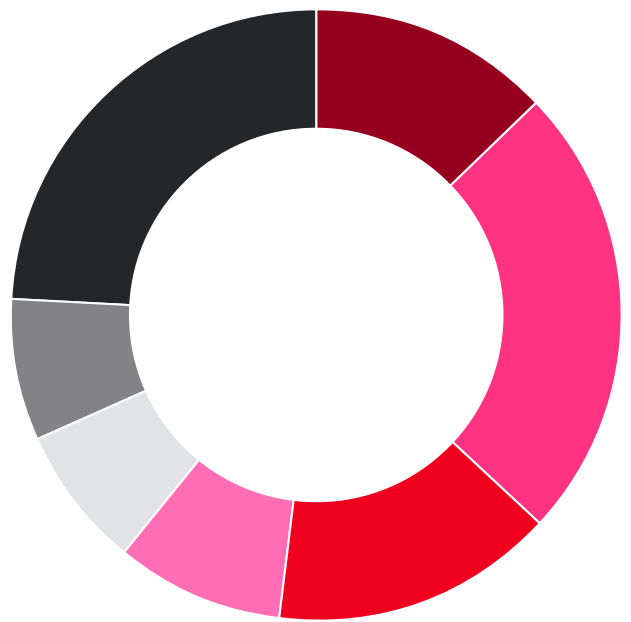
# What does the feedback tell us?

IoD Scotland membership continues to be predominantly from the private sector (79%) and over half of this year's respondents (68%) are from firms with 100 or fewer employees — a small increase from last year's figure (66%).

2024



Sector	%
Private	79
Public	10.5
Third	10.5



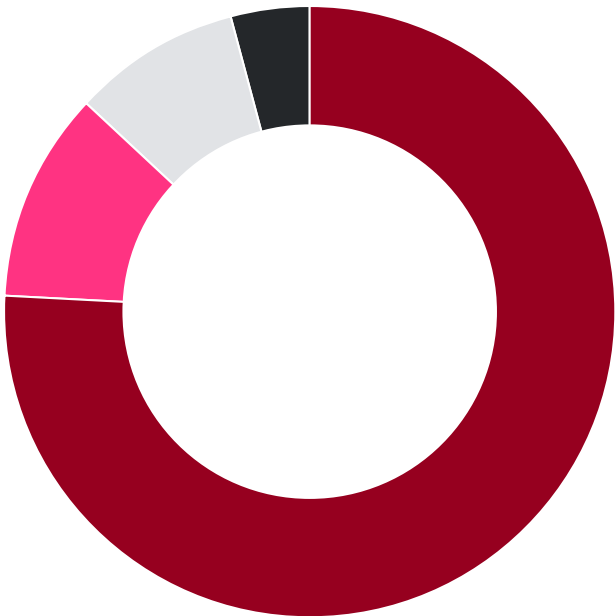
Number of employees	%
1	13
2-10	24
11-25	15
26-50	9
51-100	7.5
101-250	7.5
250+	24



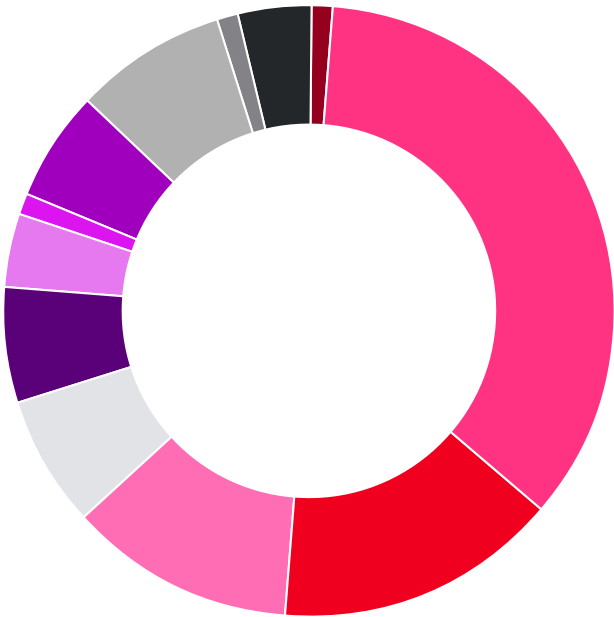
**97%**

of respondents say Good Governance and Leadership are deemed important.

**2023**



Sector	%
Private	76
Public	11
Third	9
N/A	4

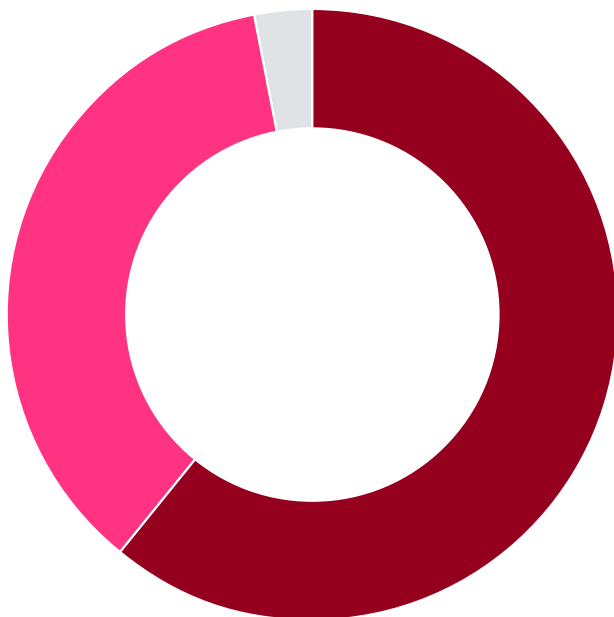


Number of employees	%
0	1
1-10	35
11-25	15
26-49	12
50-100	7
101-200	6
201-249	4
250-500	1
501-1,000	6
1,001-5,000	8
5,001-10,000	1
> 10,000	4

# Skills, employment and growth

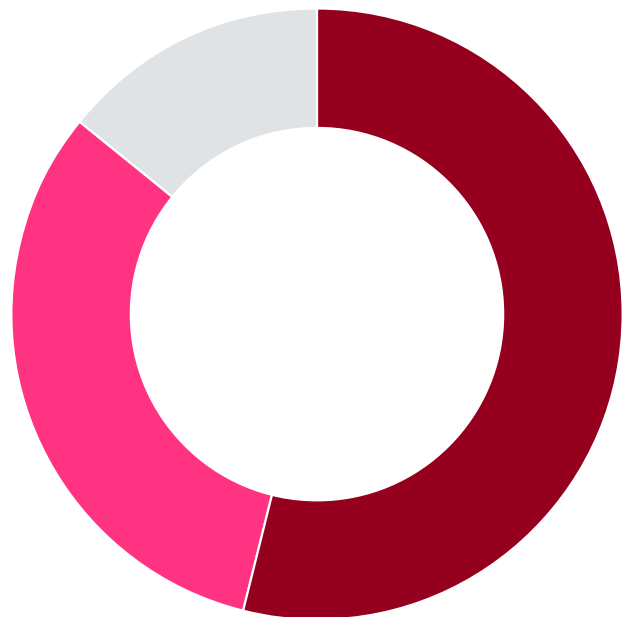
A majority of the IoD Scotland membership are positive that their organisation has the right number of skilled people for current jobs (61%), an increase in confidence from the feedback provided last year (54%). In terms of the ability recruit sufficient skilled staff in the next 12 months, this year's proportion (54%) is comparable with that from 2023 (57%).

Does your organisation have the right number of skilled people for your current jobs?



Response	%
● Yes	61
● No	36
● Don't know	3

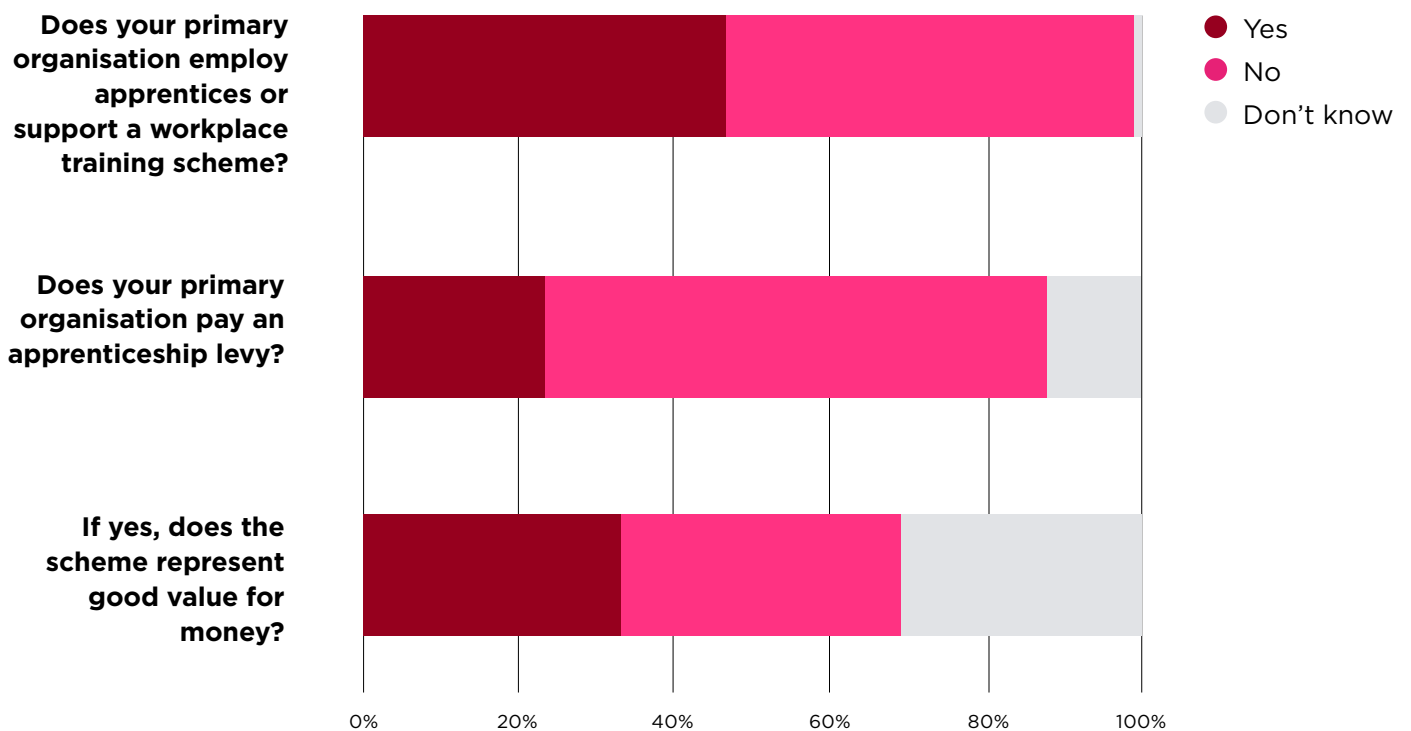
Do you feel confident that your primary organisation will be able to recruit the right people for the vacancies you need to fill in the upcoming year?



Response	%
● Yes	54
● No	32
● Don't know	14



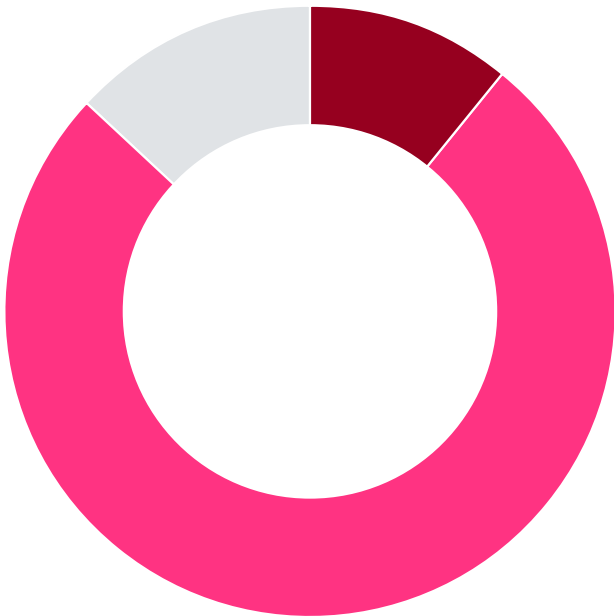
Opinion is more mixed when looking at apprenticeships. While 46% of our respondents work at an organisation employing apprentices or supporting a workplace training scheme, only 23% of their primary organisations pay the apprenticeship levy. Within that pool, 67% were either unsure of or critical towards the value for money presented by the levy.



# Scottish Government Policy

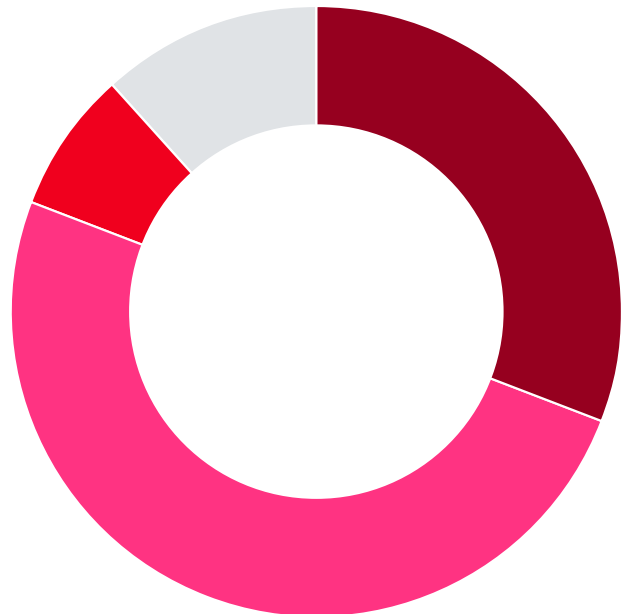
**Attitudes towards the Scottish Government economic policy have been mixed.**

2024 marks the 25th anniversary since the Scottish Parliament was reconvened. Do you think the Parliament has taken sufficient interest in growing the economy during this time?



Response	%
Yes	11
No	76
Not sure	13

As a leader, do you feel supported to be able to lead your organisation to achieve the Scottish Government's Net Zero target? (70% reduction by 2030 and net zero by 2045)?



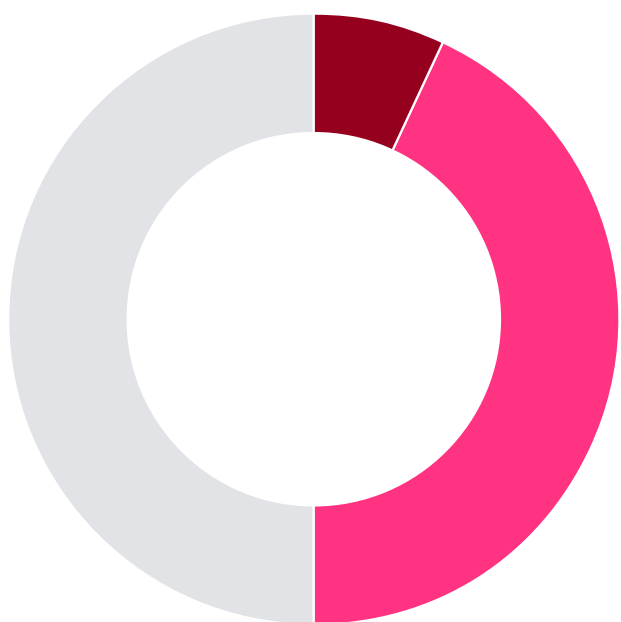
Response	%
Yes, we are on our way	31
No, more support and resource is required	50
We are still working on our plan	7.5
Don't know	11.5





In the long-term, 76% of respondents feel that it has paid insufficient attention to growing the economy, while 50% have said that more recently they don't feel sufficiently supported to meet the Scottish Government's Net Zero target and only 7% have feel the 'New Deal for Business' has had a positive impact.

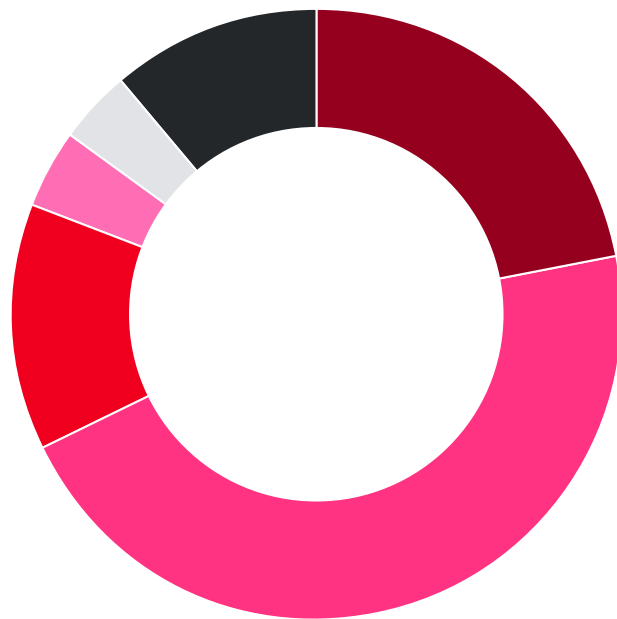
**The Scottish Government has recently published its 'New Deal for Business'. Has this helped to improve relations and engagement between Scottish business and the Scottish Government?**



Response	%
Yes/To an extent	7
No	43
Not sure	50

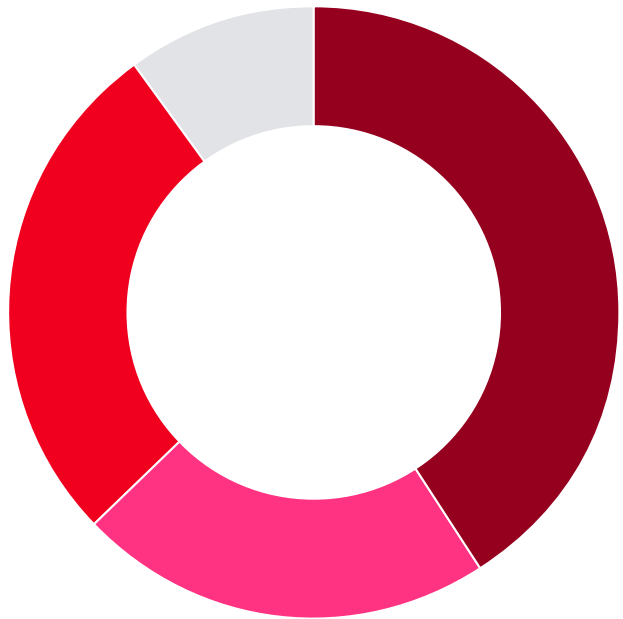
Awareness of environmental, social and governance considerations (“ESG”) is broadly the same as last year, with a small drop from 86% to 81% of respondents working at organisations that have implemented measures or are in the process of doing so.

**To what extent has your organisation embedded environmental, social and governance (ESG) considerations into its business strategy, operations and product and/or service offerings?**



Response	%
Fully	22
To some extent	46
We've started	13
Planning to	4
Not there yet	4
Not considered	11

**Has your business adopted the Scottish Government's Fair Work Principles Framework?**



Response	%
Yes	41
No	22
Don't know what that is	27
Don't know	10

Improvement has been made with regards to the Scottish Government's 'Fair Work Nation Principles'. While last year only 23% of respondents reported that their organisation had adopted them, this year this has risen to 41%. But there is room for further progress, as 37% of respondents had either not heard of the Principles or were unaware whether their organisations had adopted them.



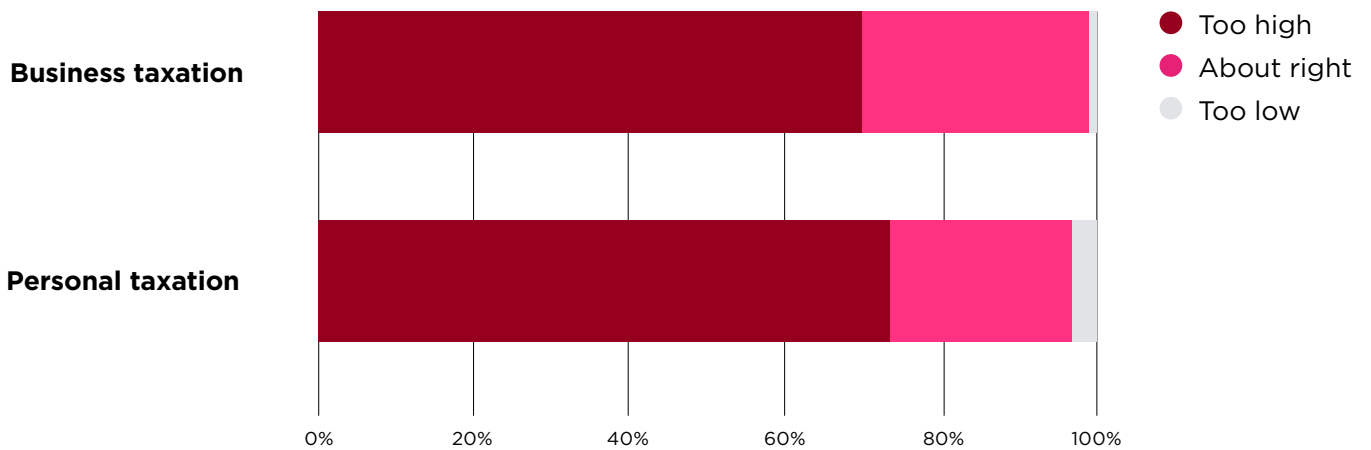




# Taxation

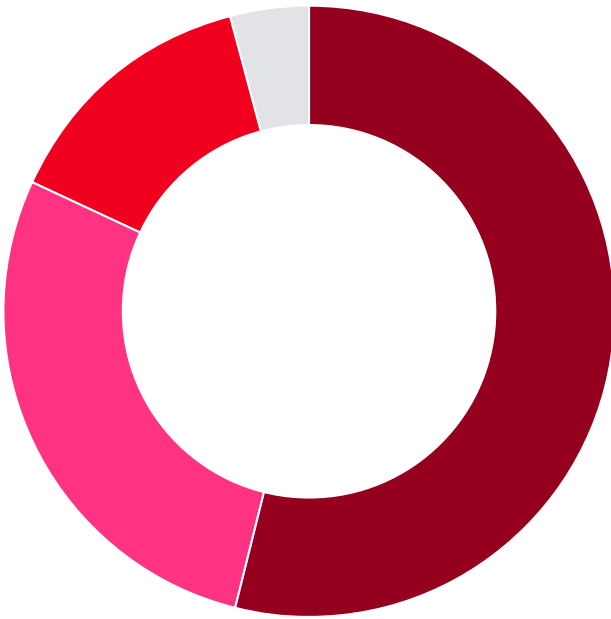
**Views on taxation policy within Scotland were largely critical and respondents were given the opportunity to pinpoint the areas where their concerns were the most acute.**

When asked to describe their views on taxation in Scotland, 71% of respondents felt business taxes were too high and 74% felt the same for personal taxes.



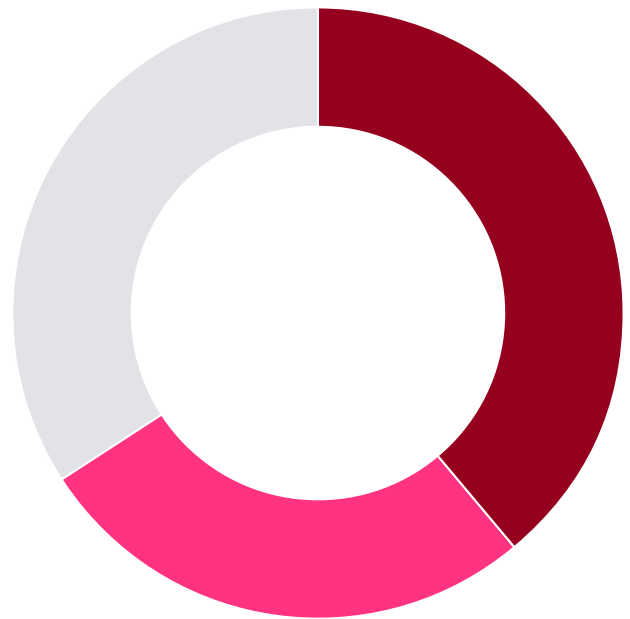
82% expressed some form of concern with the way in which income tax policy diverged in Scotland as opposed to the UK as a whole and within that group the largest area of concern was related to staff recruitment (39%).

**How much of a concern is income tax divergence in Scotland for either you or your primary organisation?**



Response	%
Serious concern	54
Slight concern	28
No concern	14
Other	4

**If concern is serious, would this have an impact on any of these areas (select those appropriate).**



Response	%
Hiring	39
Investment	27
Choice of location	34

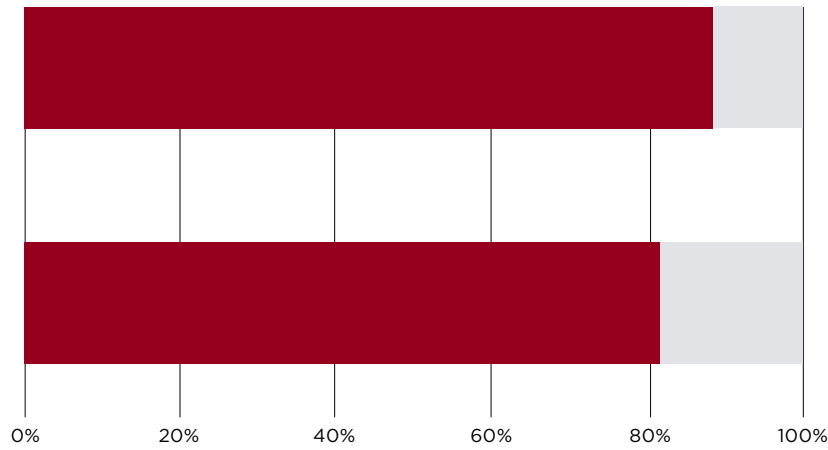
# Professional development

Continuing professional development is still important for IoD Scotland members, with 87% of respondents having undertaken it in the last three years and 82% planning to do so within the next three. Taking a wider view, 92% feel that it is important for their organisations to invest in the skills of others.

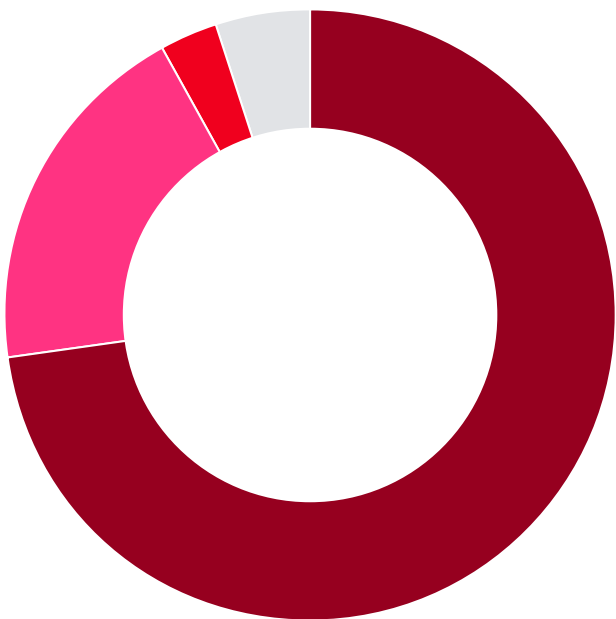
Have you personally undertaken any form of CPD in the past three years?

● Yes  
● No

Do you plan to undertake any form of CPD in the next three years?



How important is it for your primary organisation to invest in the skills of others?



Response	%
● Very	73
● Quite	19
● Not sure	3
● Not important	5

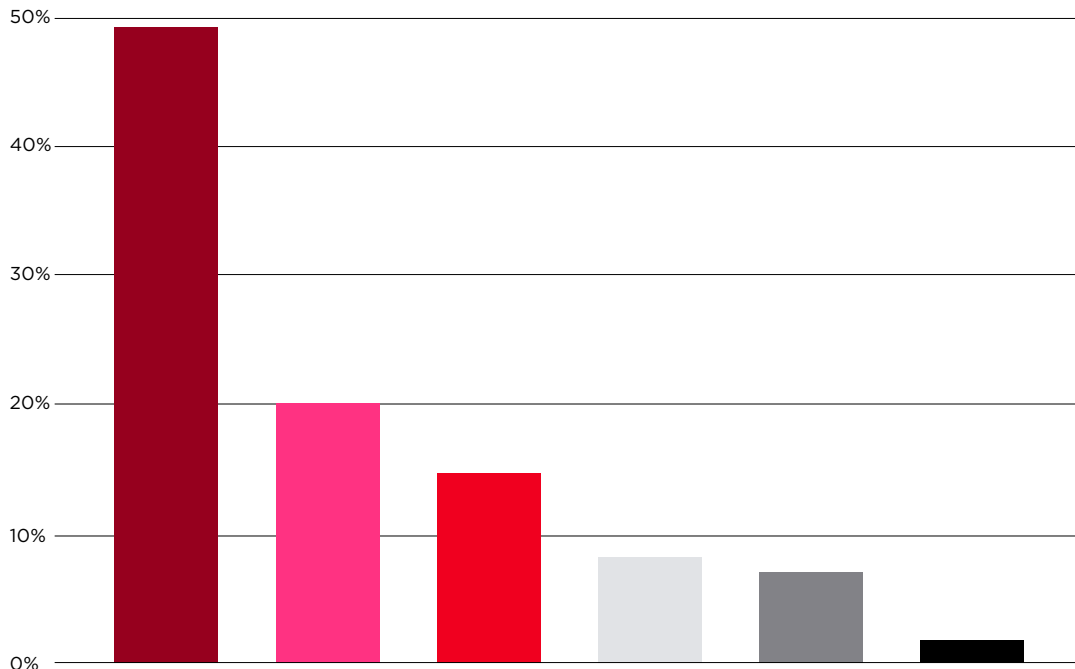




# Looking to the future

**Responses to the survey have indicated that our membership is ambitious in its pursuit of growth and in looking for new tools and approaches with which to deliver it.**

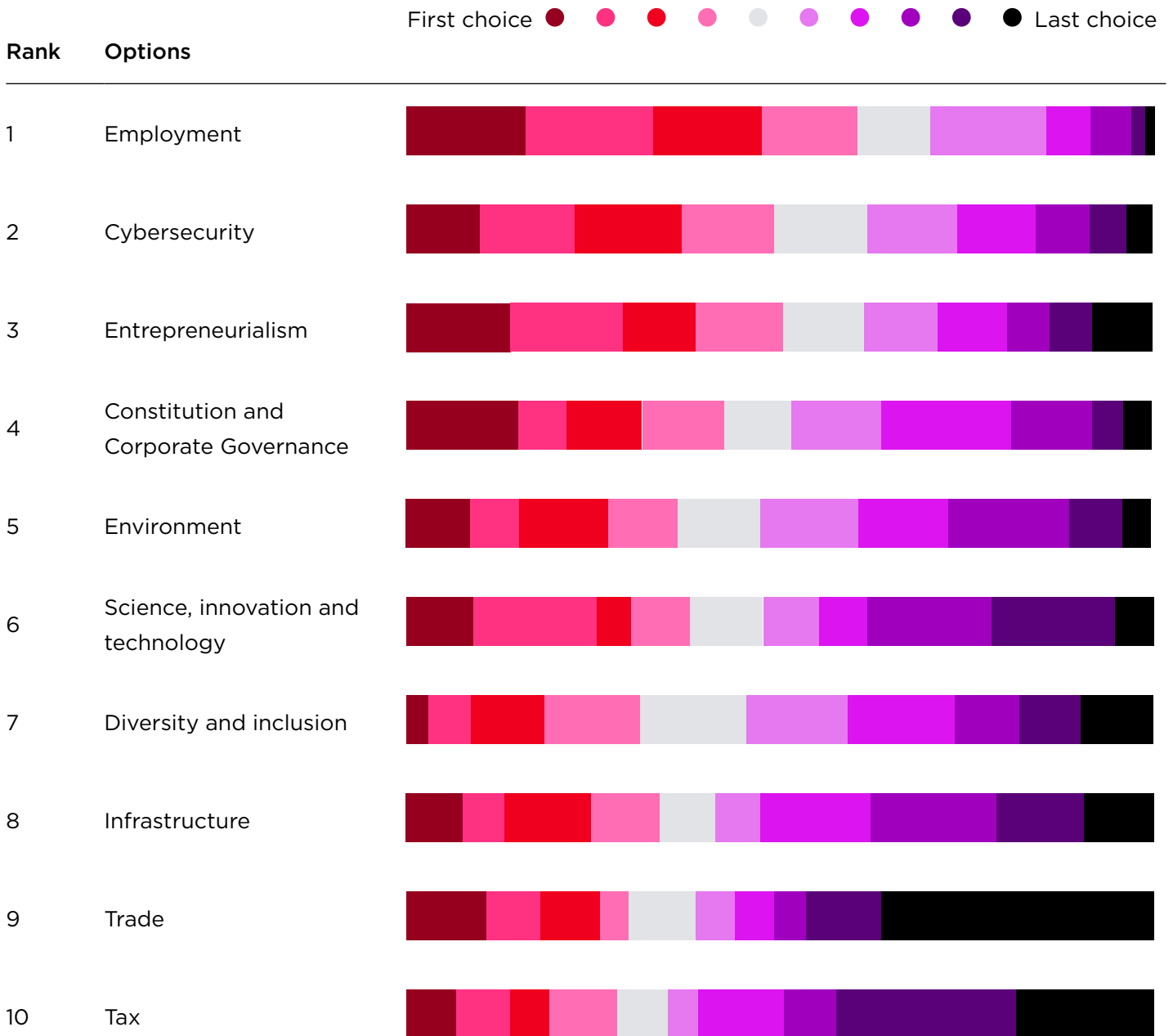
**How ambitious for growth would you say your organisation is at the moment? Choose the option that best represents your views.**



Response	%
● We have plans for steady growth	49
● We have ambitious plans to scale up fast	20
● We are happy to remain stable at the current level of growth	14
● We are consolidating activity and focusing on our core offering	8
● We are cutting costs in a difficult trading environment	7
● We do not have a view	2

69% of respondents have stated that their organisations are actively pursuing growth. Employment, entrepreneurialism and cybersecurity have been identified as three key priorities over the next five years.

**Which policy issues will be the priority for your organisation over the next five years? Please rank the below options in your preferred order.**

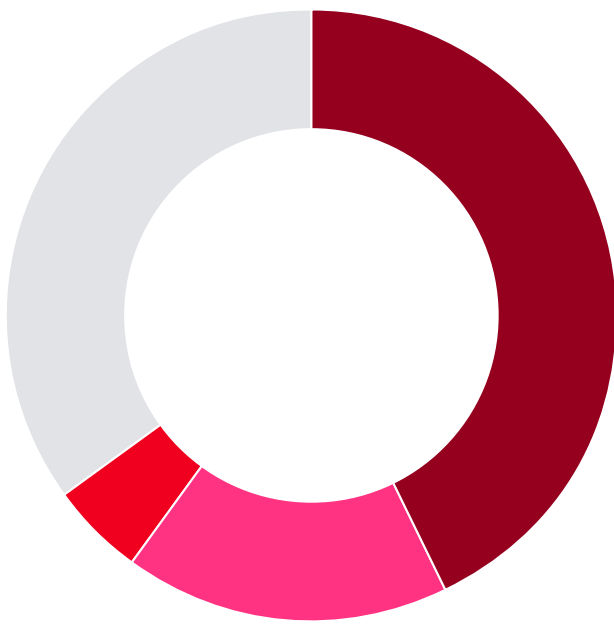






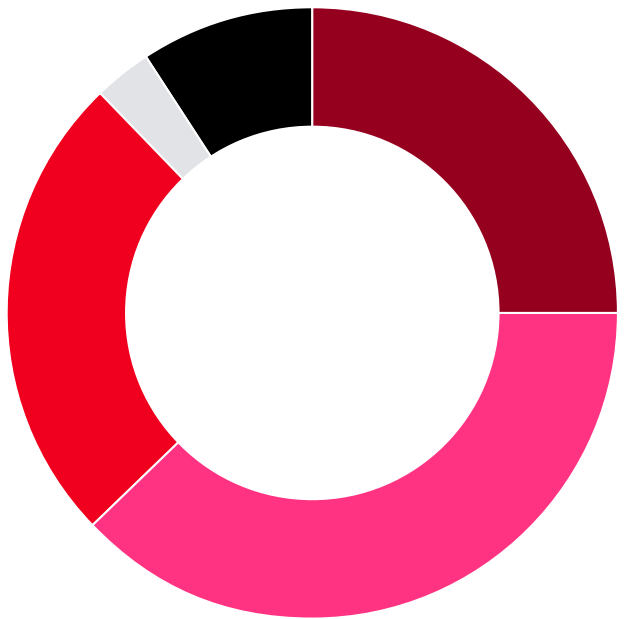
65% of respondents work within an organisation that has partnered with a higher education body. Respondents within this group described a diverse range of forms such collaborations could take, such as industry panels or research projects.

**Does your primary organisation engage with your local university and/or college?**



Response	%
Yes both	43
University only	17
College only	5
Neither	35

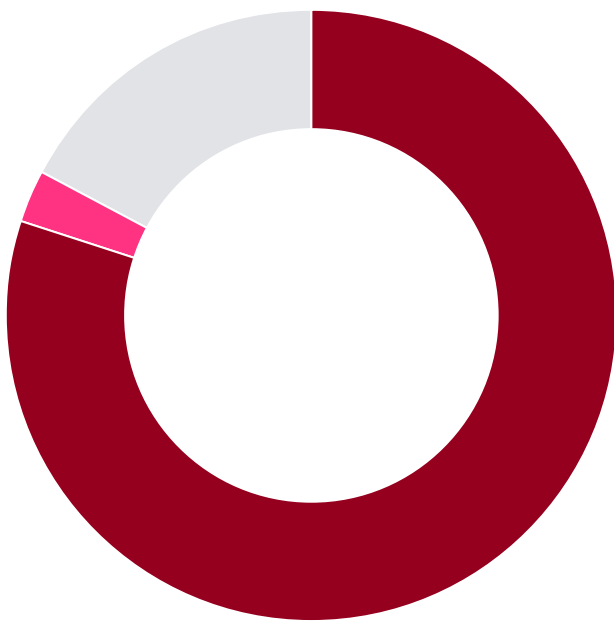
**If yes, in what capacity? (Please tick all that apply)**



Response	%
Career service	25
Engagement with academics / industry panel / students projects	38
Research project / joint funded project / knowledge exchange	25
As a benefactor or alumnus	3
Other	9

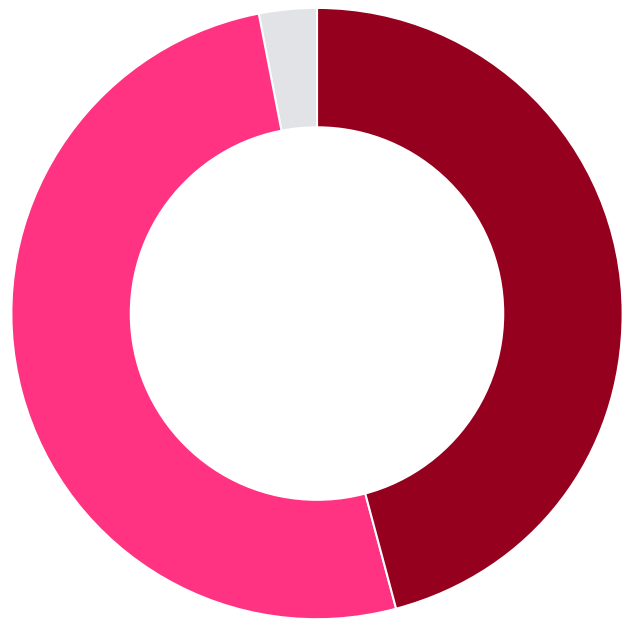
When asked about the future utility of AI-based tools, 80% of respondents are optimistic and 46% note that AI is already being using in support of processes within their organisations.

**Do you see AI becoming more important to the operation of your organisation in the coming years?**



Response	%
● Yes, AI presents a good opportunity	80
● No, AI is a threat	3
● Don't know	17

**Is your primary organisation using AI in any of its processes?**



Response	%
● Yes	46
● No	51
● Don't know	3







# Concluding remarks


**IoD Scotland will use the results from the State of the Nation Directors Survey to shape our work streams and policy focus over the next 12 months.**

The feedback that we have gathered has already proved to be hugely insightful, informative and useful when we are meeting with policy makers and other representatives. The results of last year's survey drew cross-party attention and use within the Scottish Parliament, and it is our hope that the same will be true for this year.

Our sincere thanks go to all those who took the time to complete the survey and share their thoughts with us.

The next survey will be available in early 2025. In the meantime, we would encourage all IoD Scotland members to complete the IoD's Policy Voice survey.





Policy Voice allows us to take monthly snapshots of member views on current business issues. All IoD members will be invited to complete Policy Voice each month and share their views to influence how we talk to those in power on a range of business-critical issues — from trade to taxation, education to entrepreneurship and inclusion to innovation.

**Further information:**  
**[iod.com/policyvoice](https://iod.com/policyvoice)**



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