



Scotland
Institiud Stiùirichean na h-Alba

State of the Nation Directors Survey Spring 2025



Foreword

Our State of the Nation has arrived at a particularly important juncture as we are just over a year away from the Scottish Holyrood Elections in 2026. Over the course of 2025, IoD Scotland will be working closely with our members to develop our asks from government in 2026 and we see State of the Nation 2025 as having a key role to play to develop these asks.

Although our members continue to face acute challenges at the present and for the year ahead, I am optimistic that the resilience and agility they demonstrate on a daily basis, will stand them in good stead for future challenges.

I look forward to working with all of you over the coming year to continue to drive a more prosperous, inclusive and equitable Scotland for all.

Catherine McWilliam, CertIoD
Nations Director, IoD Scotland

Background

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

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

We have built upon last year's survey by maintaining similar areas of thematic focus but have introduced new questions in order to ensure that the State of the Nation remains responsive to the most pertinent issues facing your organisations.

Ongoing analysis of the results will enable us to ensure that we are responding to and reflecting through our work streams, the key policy issues for our Scottish members. As with last year's survey, we will produce a series of policy papers in the coming months which will delve into the 'so what' behind the data.

Introduction

The State of the Nation Survey was open to responses from members of the Institute of Directors in Scotland from 8 January 2025 until 17 February 2025.

In that time a total of 15% of the IoD Scotland membership took part in the survey.

No responses were disqualified from inclusion.

Next steps

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 2025. 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.

The IoD Scotland Policy Committee will be meeting with all main Scottish political parties over the course of 2025, and the State of the Nation results will help to guide and shape our engagement ahead of the Scottish Elections in 2026.

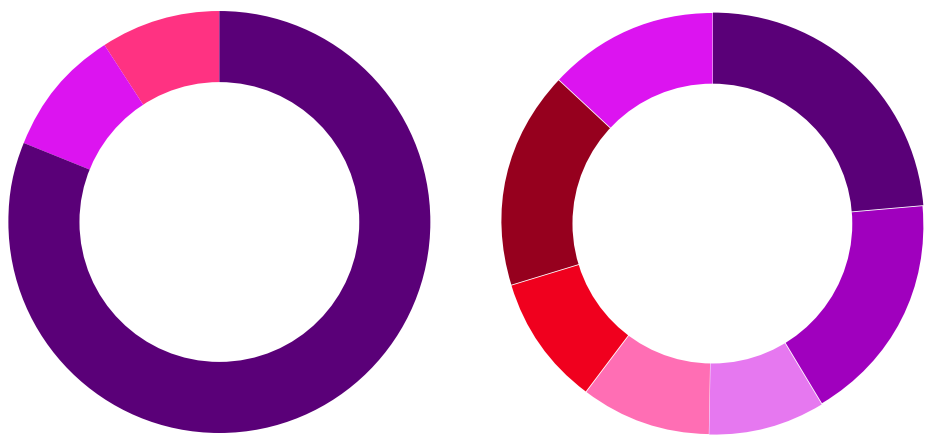
The State of the Nation results will also help to feed into our Manifesto for Business which we will publish ahead of the Election.

Thank you to all those who have fed into this important research. We look forward to further discussions with you all throughout 2025.

What does the feedback tells us?

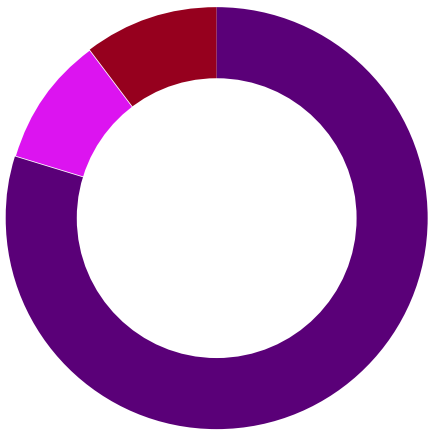
IoD Scotland membership continues to be predominantly from the private sector (82%) a slight increase from last year (79%) and over half of this year's respondents (69%) are from firms with 100 or fewer employees – a percentage increase from last year's figure (68%).

2025

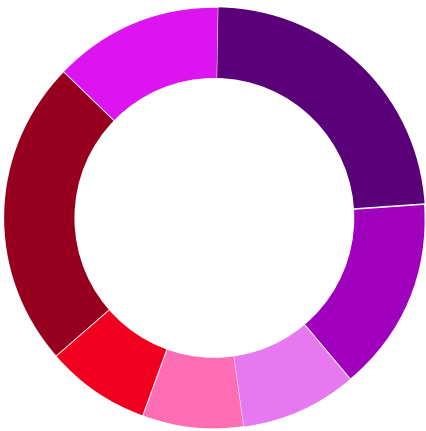


Sector	%	Number of employees	%
Private	82	1	13
Public	9	2-10	24
Third	9	11-25	18
		26-50	9
		51-100	10
		101-250	10
		250+	17

2024



Sector	%
Private	79
Public	10.5
Third	10.5



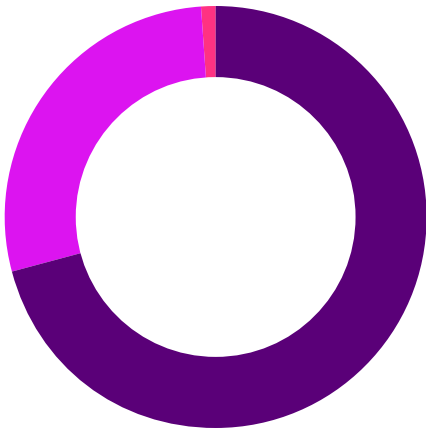
Number of employees	%
1	13
2-10	24
11-25	15
26-50	9
51-100	7.5
101-250	7.5
250+	24

97%
of respondents say Good Governance and Leadership are deemed important.

Skills, employment and growth

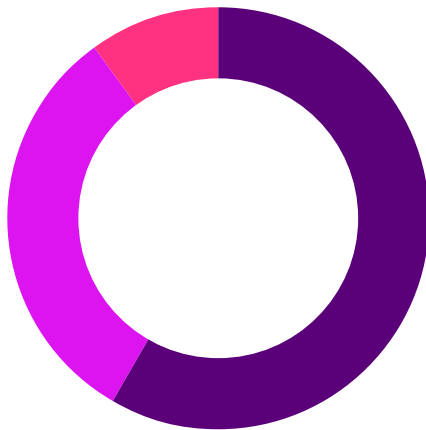
A majority of the IoD Scotland membership are positive that their organisation has the right number of skilled people for current jobs (71%), an increase in confidence from the feedback provided last year (61%). In terms of the ability to recruit sufficient skilled staff in the next 12 months, this year's proportion (59%) is broadly comparable with that from 2024 (54%).

Does your primary organisation have the right number of skilled employees to effectively handle the current job requirements?



Response	%
Yes	71
No	28
Don't know	1

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	59
No	32
Don't know	10

Does your primary organisation employ apprentices or support a workplace training scheme?



Yes
No
Don't know

Does your primary organisation pay an apprenticeship levy?



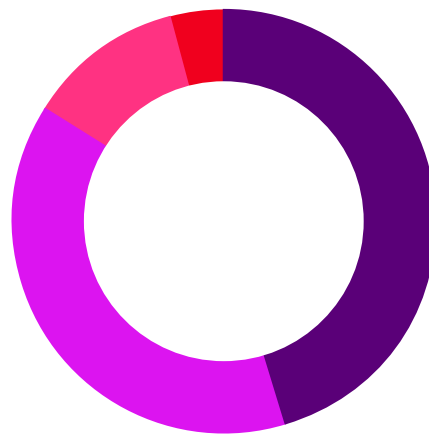
If yes, does the scheme represent good value for money?



Opinion is more mixed when looking at apprenticeships. While 44% of our respondents work at an organisation employing apprentices or supporting a workplace training scheme, only 18% of their primary organisations pay the apprenticeship levy. Within that pool, 80% were either unsure of or critical towards the value for money presented by the levy, which has risen from last year's figure of 67%.

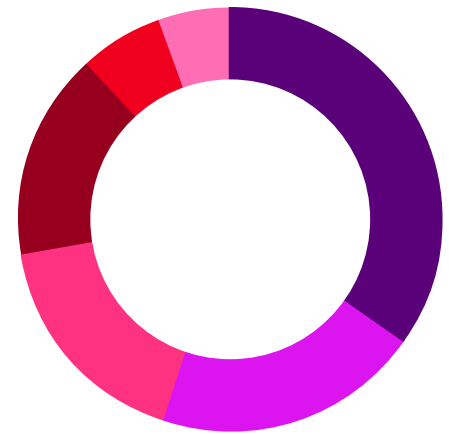
When looking at engagement with universities/colleges, respondents were split. 45% had no engagement with either local universities or colleges, although 39% of respondents engaged with both of them. 12% engaged with universities only and the remaining 4% engaged with colleges only.

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



Response	%
Yes both	39
Neither	46
University only	12
College only	4

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



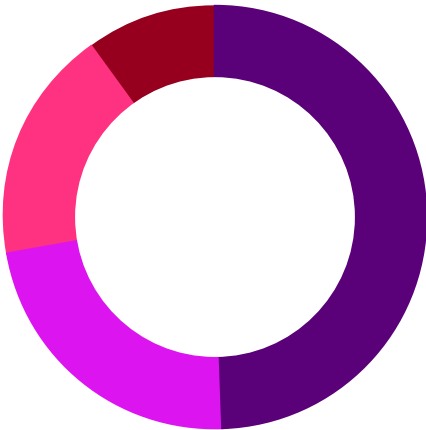
Response	%
Career service	19
Engagement with academics/industry panel/student projects	38
Research project/joint funded project/knowledge exchange	22
As a benefactor or alumnus	6
Board member	17
Other	7

Scottish Government policy

Attitudes towards the Scottish Government policy is mixed.

Looking at Scottish Government’s Net Zero target, 50% of respondents felt more support and resources were required, the exact same figure as 2024 results and 23% did not know. 27% of respondents were either on our way or still working on a plan, a drop from 2024 figures of 39%.

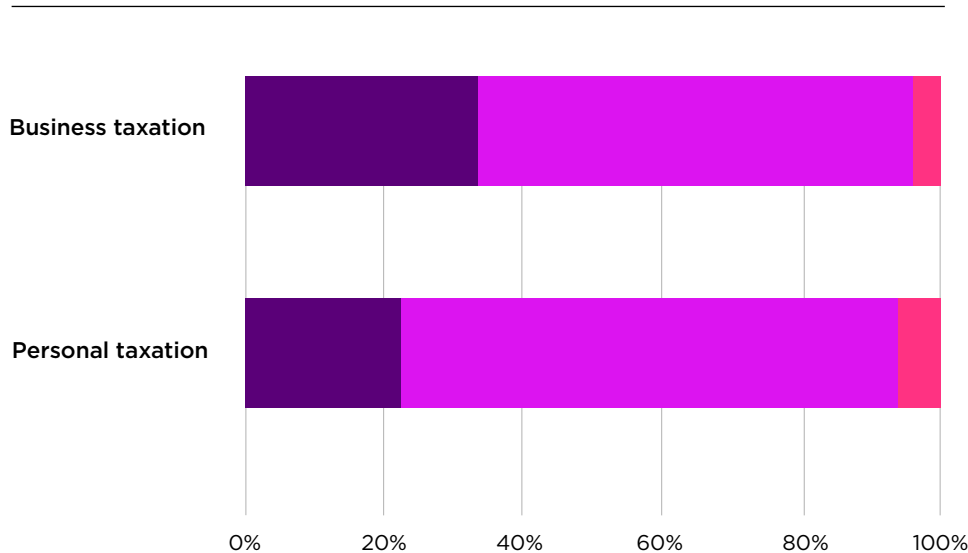
Do you feel you have enough support from government to lead your organisation towards achieving the Scottish Government’s Net Zero target? (70% reduction by 2030 and net zero by 2045)?



Response	%
Yes, we are on our way	18
No, more support and resources are required	50
We are still working on our plan	10
Don't know	23



Taxation policy

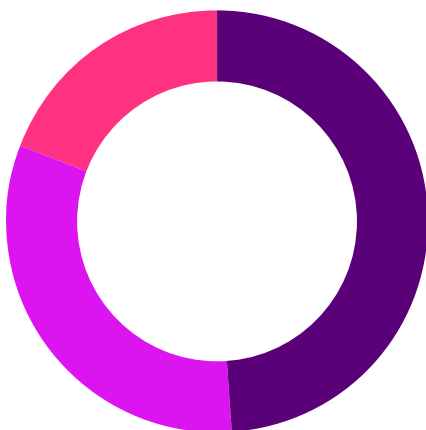


Views on taxation policy within Scotland were largely critical and respondents were given the opportunity to pinpoint the areas where their concerns predominantly lay.

When asked to describe their views on taxation in Scotland, 63% of respondents felt business taxes were too high, a slight drop from 2024 which was 71%. 75% of respondents felt personal taxes were too high, a percentage increase from 2024 figure of 74%.

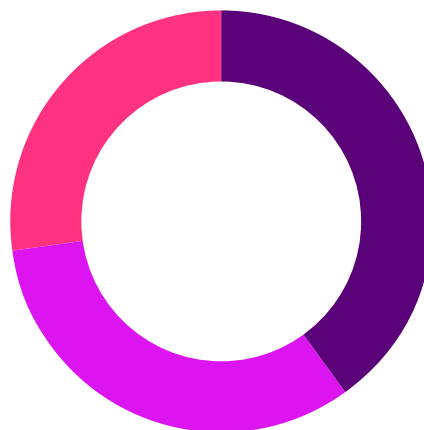
● About right ● Too high
● Too low

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



Response	%
● Serious concern	49
● Slight concern	32
● No concern	19

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



Response	%
● Hiring	40
● Investment	33
● Choice of location	27

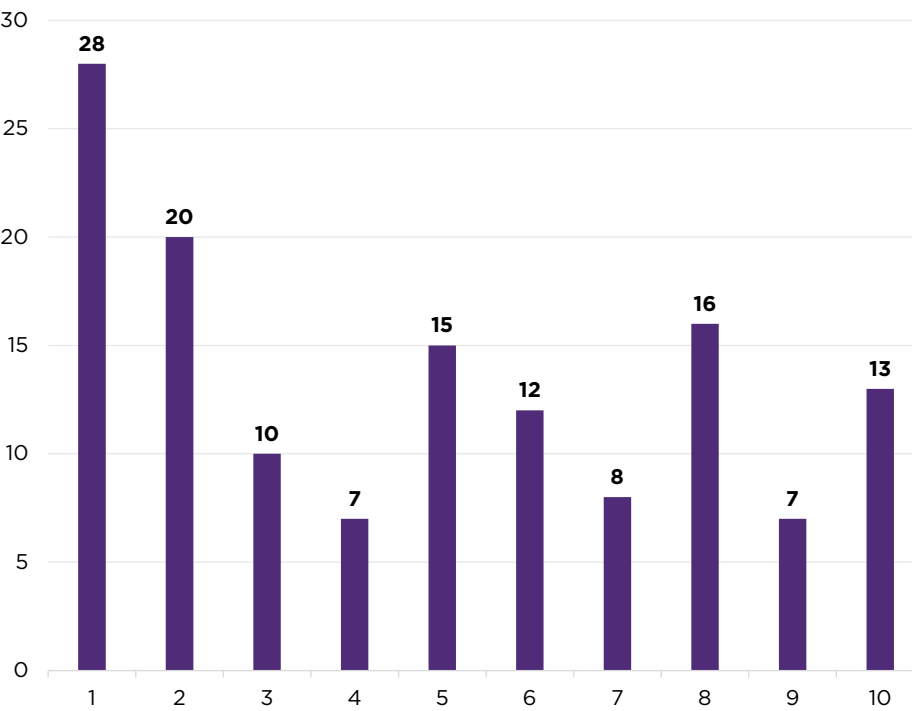
81% expressed some form of concern with the way in which income tax policy diverged in Scotland as opposed to the UK, almost identical to last year's figure of 82% and within that group the largest area of concern was related to the ability to hire staff (40%).



Housing policy

This year for the first time we asked about the provision of housing and the associated barriers to recruitment/retention of workforce. Using a scale from 1-10, whereby 1 is not at all and 10 is absolute, our respondents gave an average rating of 5 stars.

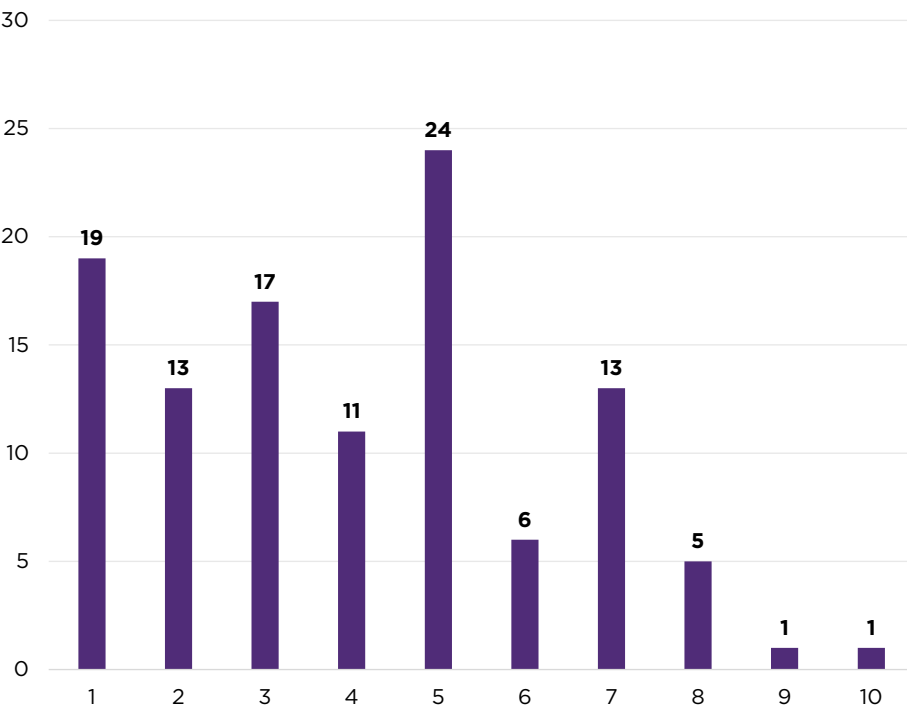
On a scale of 1-10, where 1 is not at all and 10 is absolute, to what extent is the availability of affordable housing a barrier for recruitment or retention of your workforce?





Rural economy

On a scale of 1-10, where 1 is not at all and 10 is absolute, how effectively do you feel rural communities are represented by the Scottish Parliament?

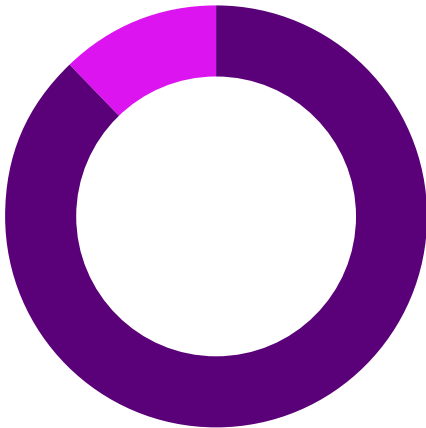


In an optional question to rank how effectively rural communities were being represented by the Scottish Parliament on a scale of 1-10, where 1 is not at all and 10 is absolute, 81% of our respondents provided an answer and gave an average rating of 4 stars.

Professional development

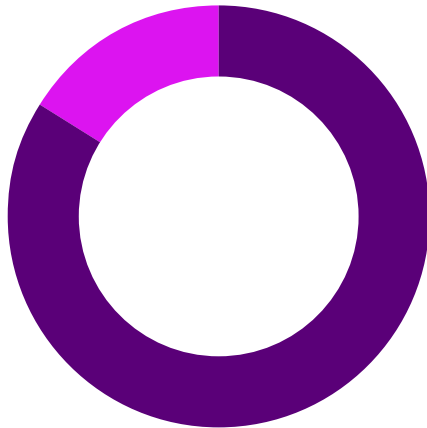
Continuing professional development is still important for IoD Scotland members, with 88% of respondents having undertaken it in the last three years, up from 87% last year and 84% planning to do so within the next three, up from 82% in 2024. Taking a wider view, 98% feel that it is important for their organisations to invest in the skills of others, which again is an increase from last years figure of 92%.

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



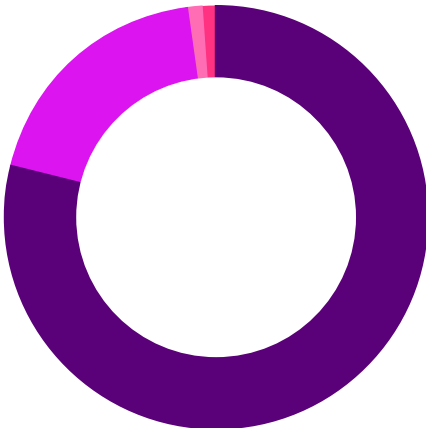
Response	%
Yes	88
No	12

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



Response	%
Yes	84
No	16

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



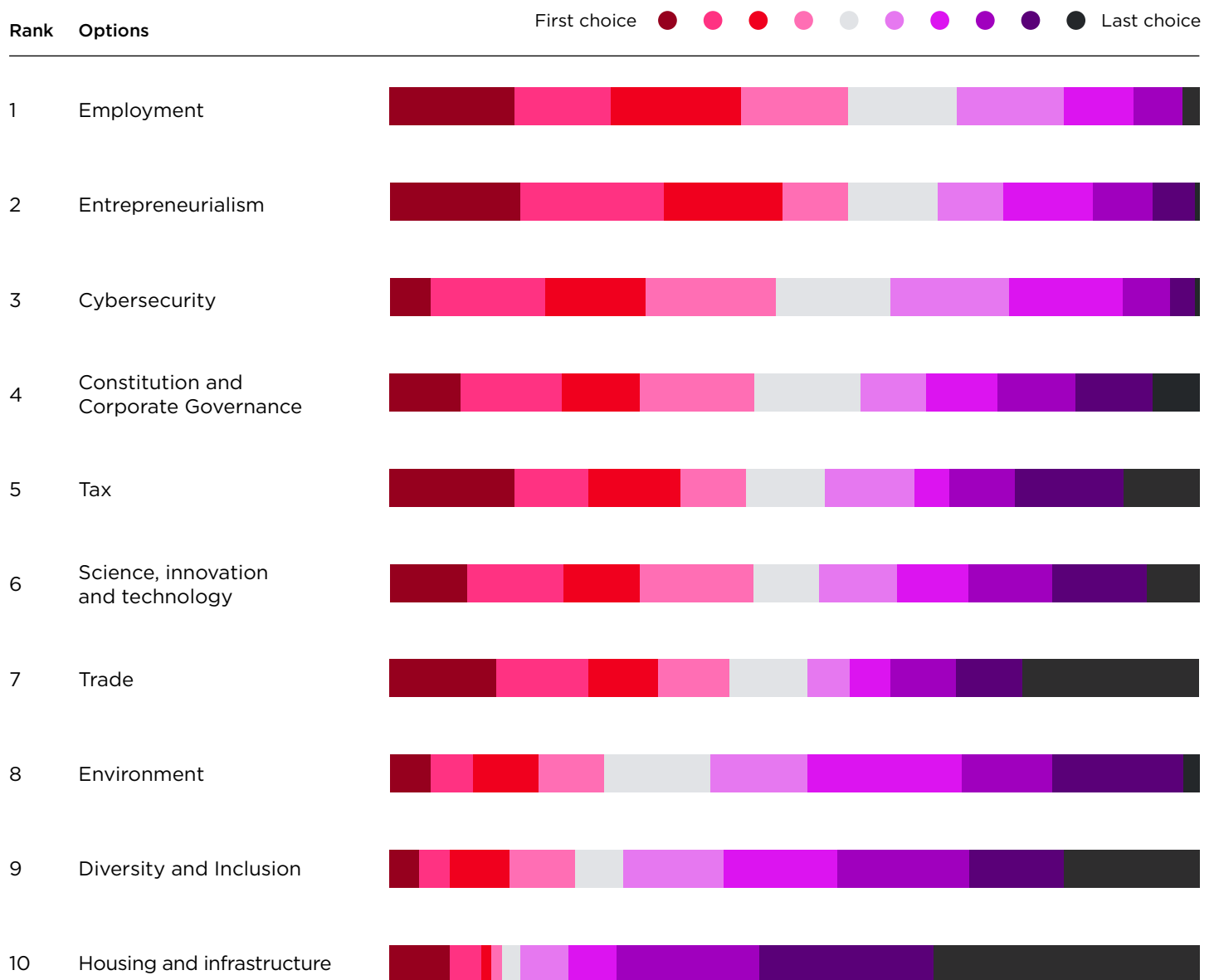
Response	%
Very important	79
Quite important	19
Not important	1
Don't know	1

Looking to the future

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

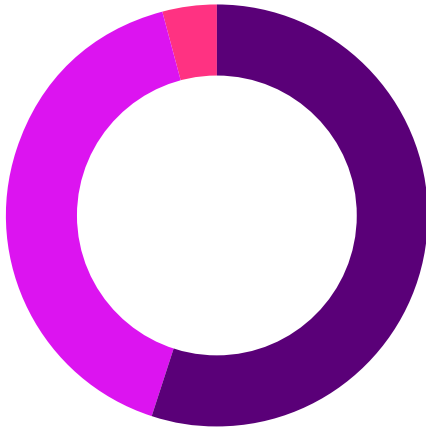
When asked to describe their views on taxation in Scotland, 63% of respondents felt business taxes were too high, a slight drop from 2024 which was 71%. 75% of respondents felt personal taxes were too high, a percentage increase from 2024 figure of 74%.

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



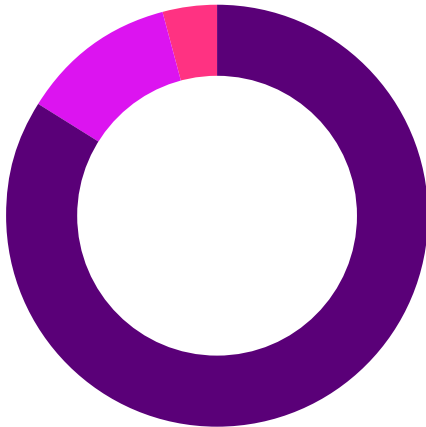
When asked about the future utility of AI-based tools, 55% of respondents were using AI tools already, 41% said no and the remaining 4% did not know. However, an overwhelming majority of respondents (84%) agreed that AI would be a good opportunity in the years ahead for them, with 4% seeing AI as a threat and 12% saying they did not know.

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



Response	%
Yes	55
No	41
Don't know	4

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



Response	%
Yes, AI presents a good opportunity	84
No, AI is a threat	4
Don't know	12

Concluding remarks

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

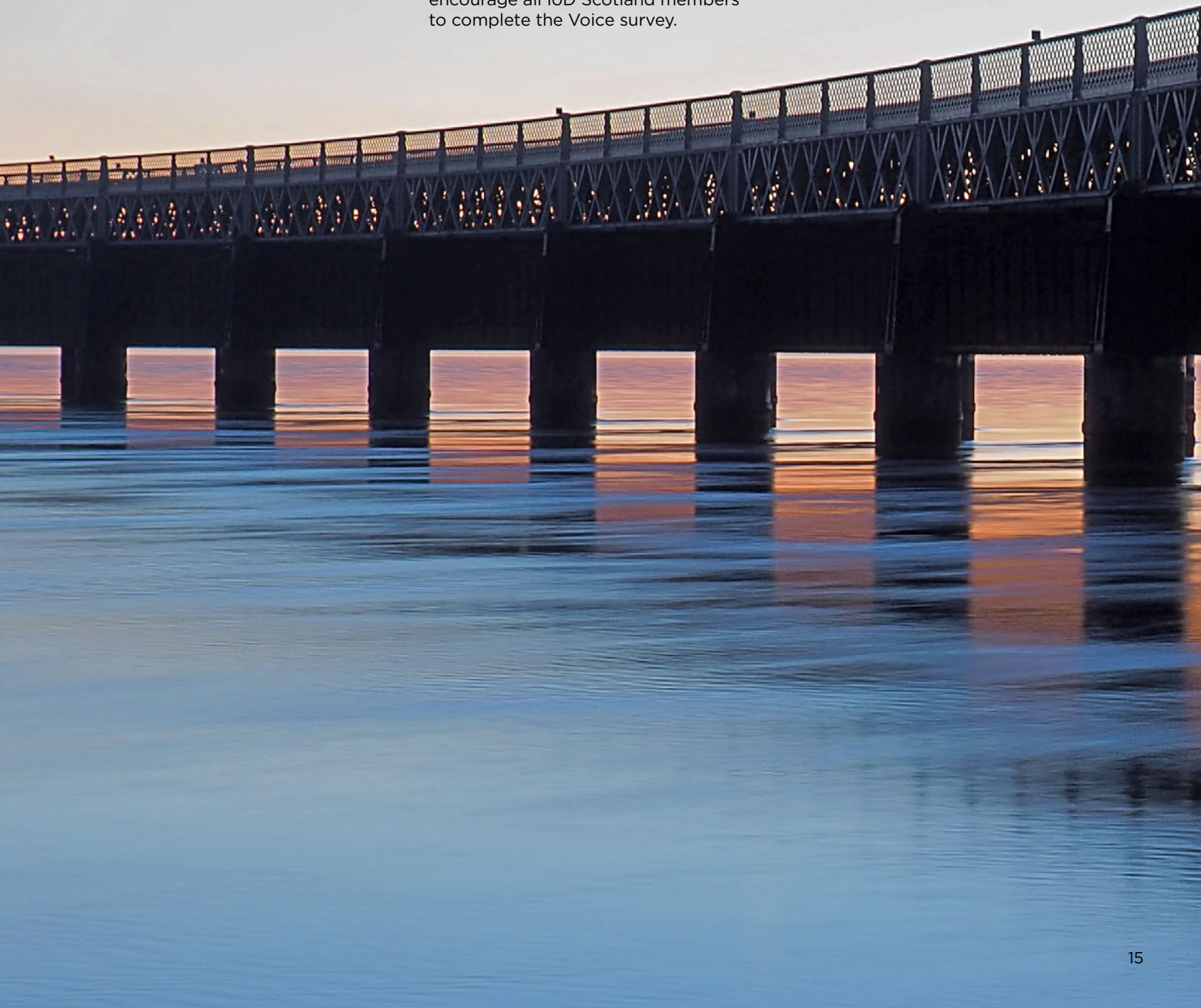
The feedback that we have gathered has already proved to be hugely insightful, informative and useful when we are meeting with policy makers and other representatives. The results of last year's survey allowed us to engage with both Scottish and UK Government, opposition leaders and wider stakeholders important to the IoD Scotland community.

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 2026. In the meantime, we would encourage all IoD Scotland members to complete the Voice survey.

Policy Voice allows us to take monthly snapshots of member views on current business issues. All IoD members are 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/news/policy-voice





Scotland Institiud Stiùirichean na h-Alba

Our Royal Charter sets out a clear purpose. We have a clear vision – The Institute of Directors is the professional institute for responsible directors and leaders.

Our mission is to develop, support and represent skilled, knowledgeable and responsible leaders for the benefit of the economy and society at large. Integrity and Enterprise are our core values.

The objects of the Institute are:

To promote for the public benefit high levels of skill, knowledge, professional competence and integrity on the part of directors, and equivalent office holders however described, of companies and other organisations.

To promote the study, research and development of the law and practice of Corporate Governance, and to publish, disseminate or otherwise make available the useful results of such study or research.

To represent the interests of members and of the business community to government and in the public arena, and to encourage and foster a climate favourable to entrepreneurial activity and wealth creation.

To advance the interests of members of the Institute, and to provide facilities, services and benefits for them.

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