



Scotland
Instiuid Stiùrichean na h-Alba



**State of the Nation
Director's Survey
Spring 2026**

Foreword

Our State of the Nation Director's Survey has arrived at a particularly important juncture as we approach the 2026 Holyrood Elections. Over the course of 2025, IoD Scotland has engaged with the leaders of each political party across Scotland and published our Manifesto for Government.

The themes in our Manifesto are borne out of five years of State of the Nation, so we can truly reflect our members' priorities to all political parties across government.

Whatever government takes up post in May 2026, IoD Scotland and our members stand ready to work in partnership to deliver a more prosperous, thriving and sustainable Scotland.



Background

IoD Scotland introduced this important annual survey in 2021 to help us to understand and support our members and their organisations better. This year we recognise the fifth anniversary of the State of the Nation Director's Survey.

As well as helping to inform our future service planning and event topics, 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 Scottish and UK Governments.

We have built upon last year's survey by maintaining similar areas of thematic focus but have introduced a few new questions in order to ensure that our focus remains responsive to 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.

Introduction

The State of the Nation Director's Survey was open to responses from members of the Institute of Directors in Scotland from 14 January 2026 until 16 February 2026.

In that time a total of 14% of the IoD Scotland membership took part in the survey.

No responses were disqualified from inclusion.

Next steps

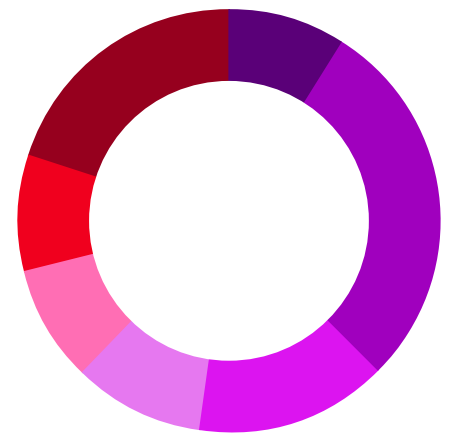
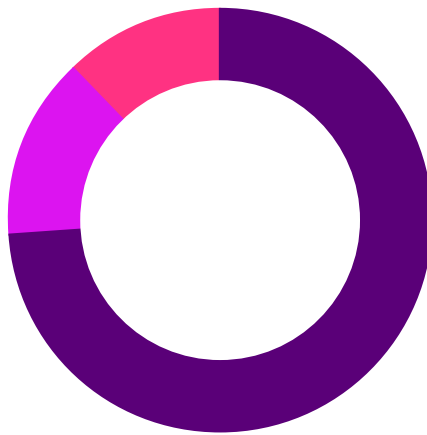
IoD Scotland will use the results of this survey as the basis for planning our engagement and activities with our members over the course of 2026. The answers you have shared give us a clearer steer from you on key issues, and we now want to think about how we use this information to feed in your insights to key stakeholders at a UK and Scotland level.

Thank you to all those who have fed into this important research. We look forward to further discussions with you all throughout 2026.

What does the feedback tells us?

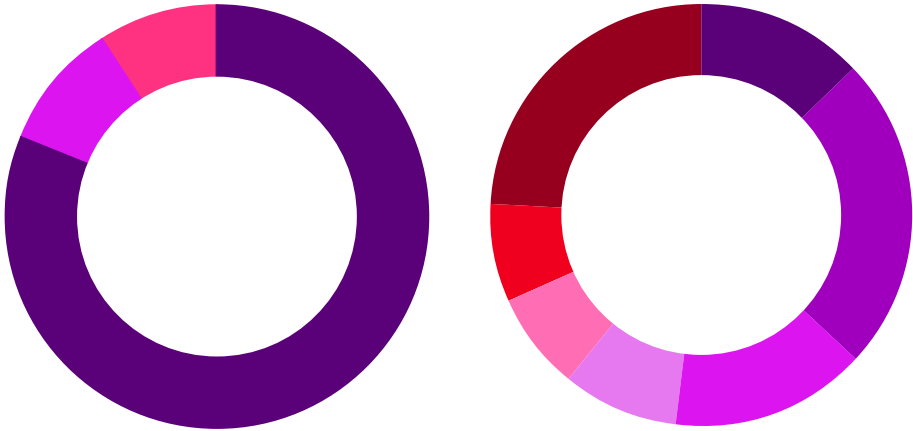
IoD Scotland membership continues to be predominantly from the private sector (74%) with a slight decrease (2025,82%). Both public and private sector membership has increased to (14%) from the public sector and (12%) from the third sector. Last year, each of these were at 9% each.

2026



Sector	%	Number of employees	%
Private	74	1	9
Public	14	2-10	29
Third	12	11-25	15
		26-50	10
		51-100	9
		101-250	9
		250+	20

2025



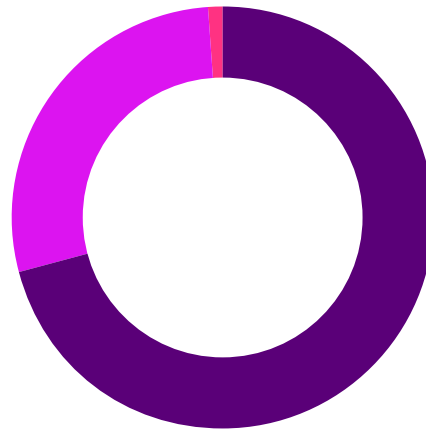
Turning towards number of employees from last year to this year. Although the numbers remained broadly steady, there was a rise in those employing 51-100 and 101-250 employees.

Sector	%	Number of employees	%
Private	82	1	13
Public	9	2-10	24
Third	9	11-25	15
		26-50	9
		51-100	7.5
		101-250	7.5
		250+	24

Skills, employment and growth

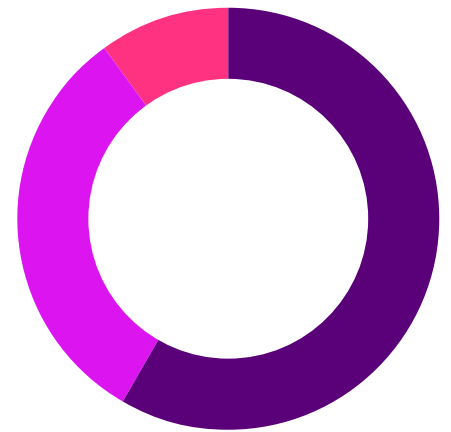
A majority of the IoD Scotland membership are positive that their organisation has the right number of skilled people for current jobs (72%), a percentage increase in confidence from the feedback provided last year (71%). 27% were not confident that they had the right number of skilled people (2025,28%). The remaining 1% did not know.

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



Response	%
Yes	72
No	27
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	58
No	32
Don't know	10

37%

of our respondents this year work at an organisation employing apprentices or supporting a workplace training scheme.

24%

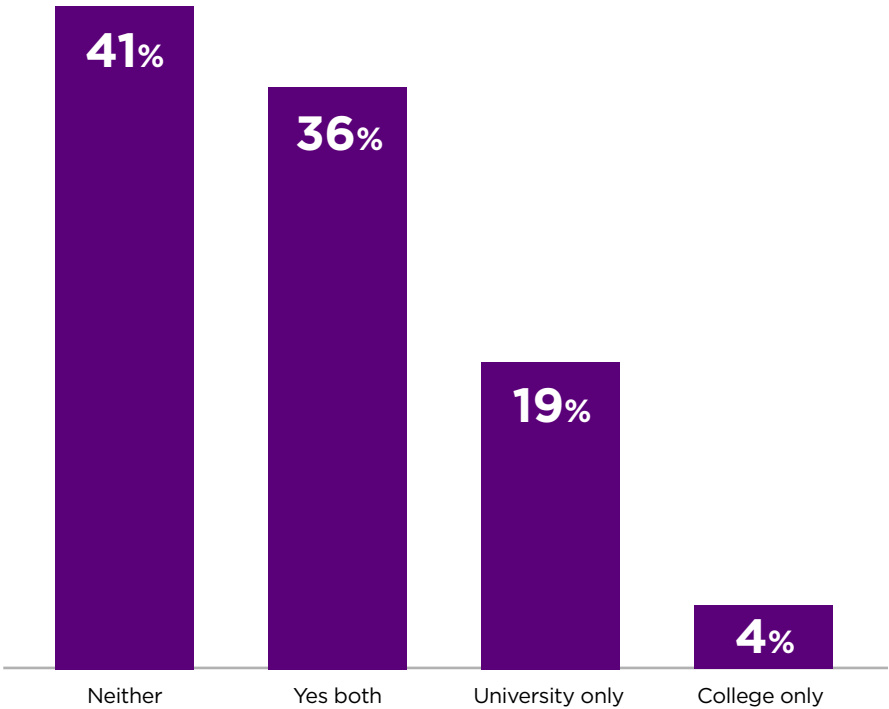
of their primary organisations pay the apprenticeship levy.

81%

were either unsure of or critical towards the value for money presented by the apprenticeship levy.

When looking at engagement with universities/colleges, respondents were split. 41% had no engagement with either local universities or colleges, a slight drop from last year's 45%, although 36% of this year's respondents engaged with both of them. 19% engaged with universities only, a rise from last year's 12% and the remaining 4% engaged with colleges only, identical to last year.

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



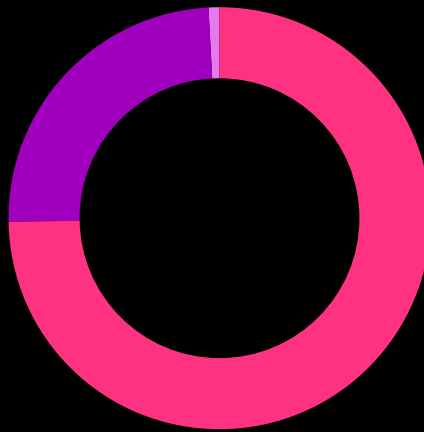
Artificial Intelligence

The topic of artificial intelligence was an area that saw one of the greatest rises from this year's survey, compared to last year.

75% of respondents were utilising AI in some form this year, compared to 55% last year. 24% of respondents were not, down from 41% last year and only 1% were unsure.

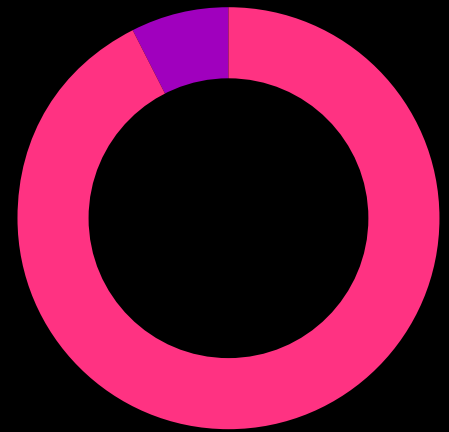
The concept of AI being an important part of respondent's business moving forward was also on the rise this year. 93% of respondents considered AI to be an important part of their business moving forward, up from 84% last year, with the remaining 7% seeing it as a threat, which is slightly up from 4% last year.

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



Response	%
Yes	75
No	24
Don't know	1

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



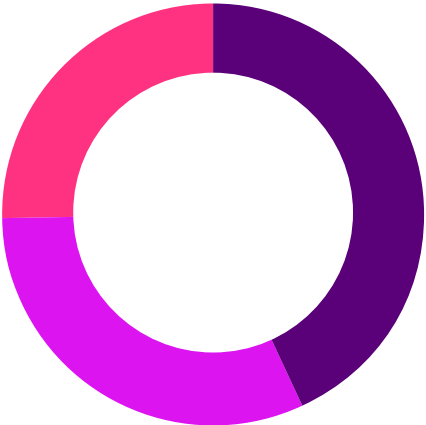
Response	%
Yes, AI is a good opportunity	93
No, AI is a threat	7

Taxation policy

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

75% expressed some form of concern (either slight or serious concern) with the way in which income tax policy diverged in Scotland as opposed to the UK, a slight decrease from last year's figure of 81% and within that group the largest area of concern was related to new or continued investment (43%).

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



Response	%
Serious concern	43
Slight concern	31
No concern	25

65%

of respondents felt business taxes were too high, a slight increase from 2025 which was 63%.

72%

of respondents felt personal taxes were too high, a slight decrease from the 2025 figure of 75%.



New questions/topics

With the announcement of increased employer National Insurance contributions, we asked our members what impact this would have on their business.

81%

expressed some form of negative impact on their business.

16%

of respondents did not envisage any impact.

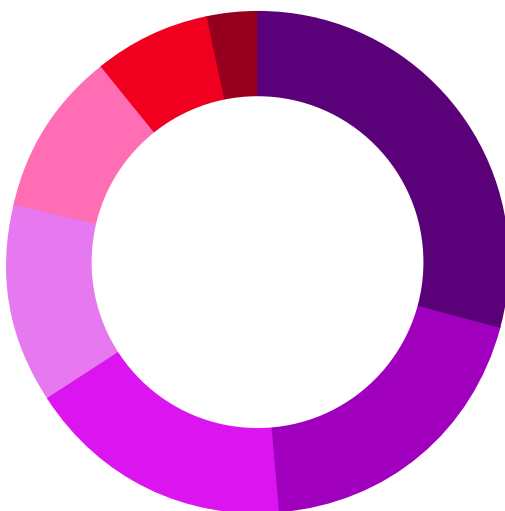
3%

felt there would be some sort of positive impact.

In addition to the national insurance contributions, the UK Government also announced the introduction of the Employment Rights Act. 57% of respondents believed the Act would have some form of negative impact on their business, 7% felt that it would have some positive impact, 28% saw no impact at all on their business and the remaining 8% did not know at this time.

The topic of the number of local authorities across Scotland (32) has come up a number of times in various IoD Scotland forums this year. We asked our members for the first time how they felt about this number. Over half of respondents (59%) felt it was too many, (23%) felt it was about right, (16%) were unsure and (2%) thought it was too few.

Which area of Scotland's infrastructure do you think needs investment most urgently?

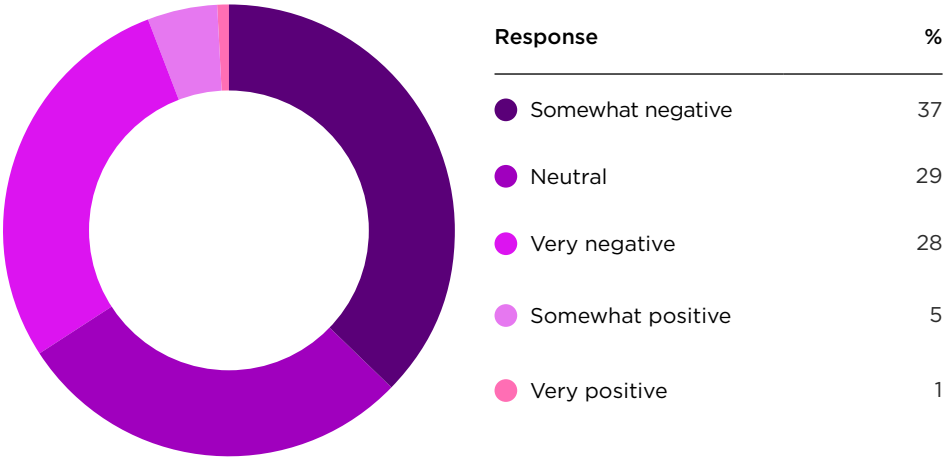


Areas	%
Roads and transport links	29
Energy (renewables, grid capacity)	20
Healthcare facilities	17
Public housing	13
Digital connectivity	11
Other	7
Education facilities	3

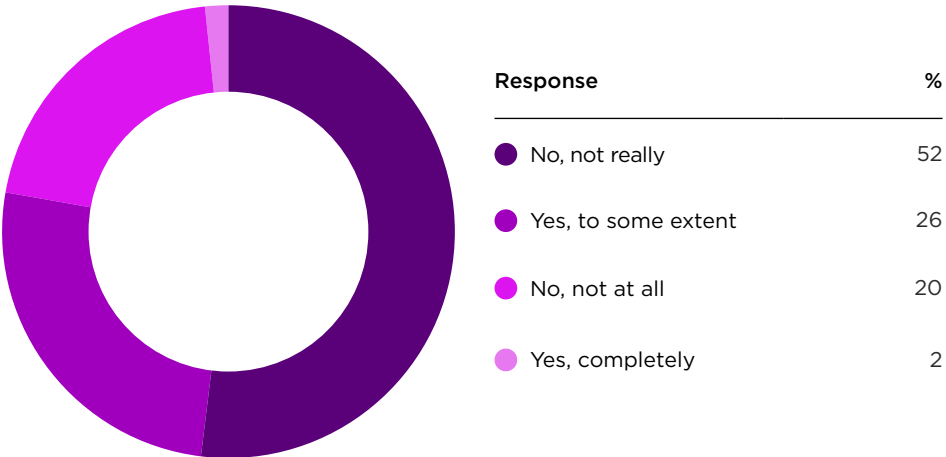
In the wake of the UK Budget, we asked our respondents what their overall impression was of the Budget. Almost two-thirds of respondents (65%) felt either somewhat negative or very negative towards the budget. (6%) felt somewhat positive or very positive and the remaining (29%) were neutral.

We also asked respondents how they felt the budget would address Scotland's priorities. (28%) believed it would either completely deliver on addressing Scotland's priorities or deliver them to some extent. The remaining (72%) considered the budget to either not deliver at all, or have a very limited impact on priorities.

How would you rate your overall impression of the UK Government's latest budget?



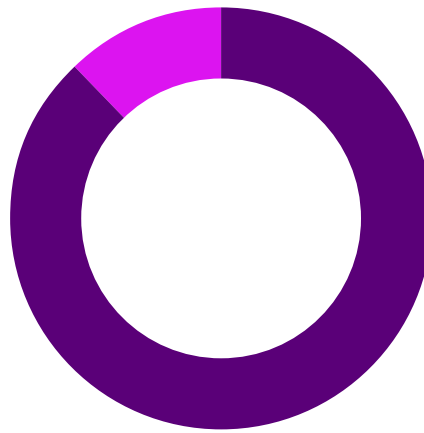
Do you feel the budget reflects Scotland's priorities?



Professional development

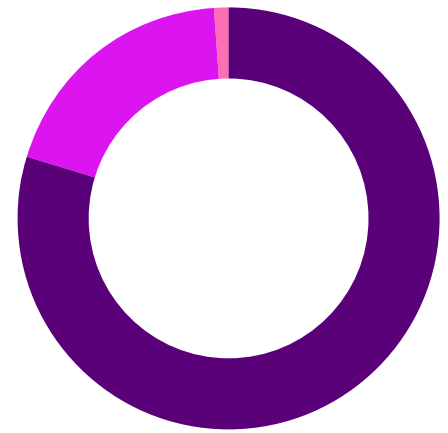
Continuing Professional Development (CPD) is still an important topic for IoD Scotland members, with 83% of respondents having undertaken it in the last three years, only slightly down from 88% last year and 87% either planning to do so within the next three years or considering it, up from 84% in 2025.

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



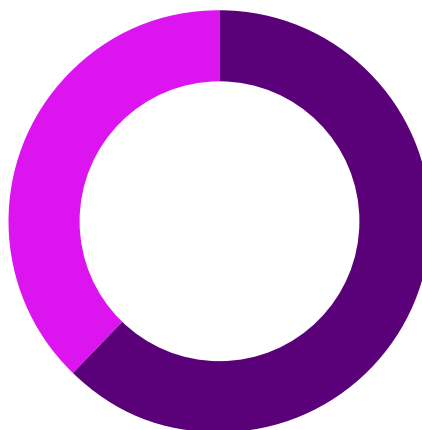
Response	%
Yes	83
No	17

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



Response	%
Yes	79
Maybe	19
No	1

Has any of this been with the IoD?



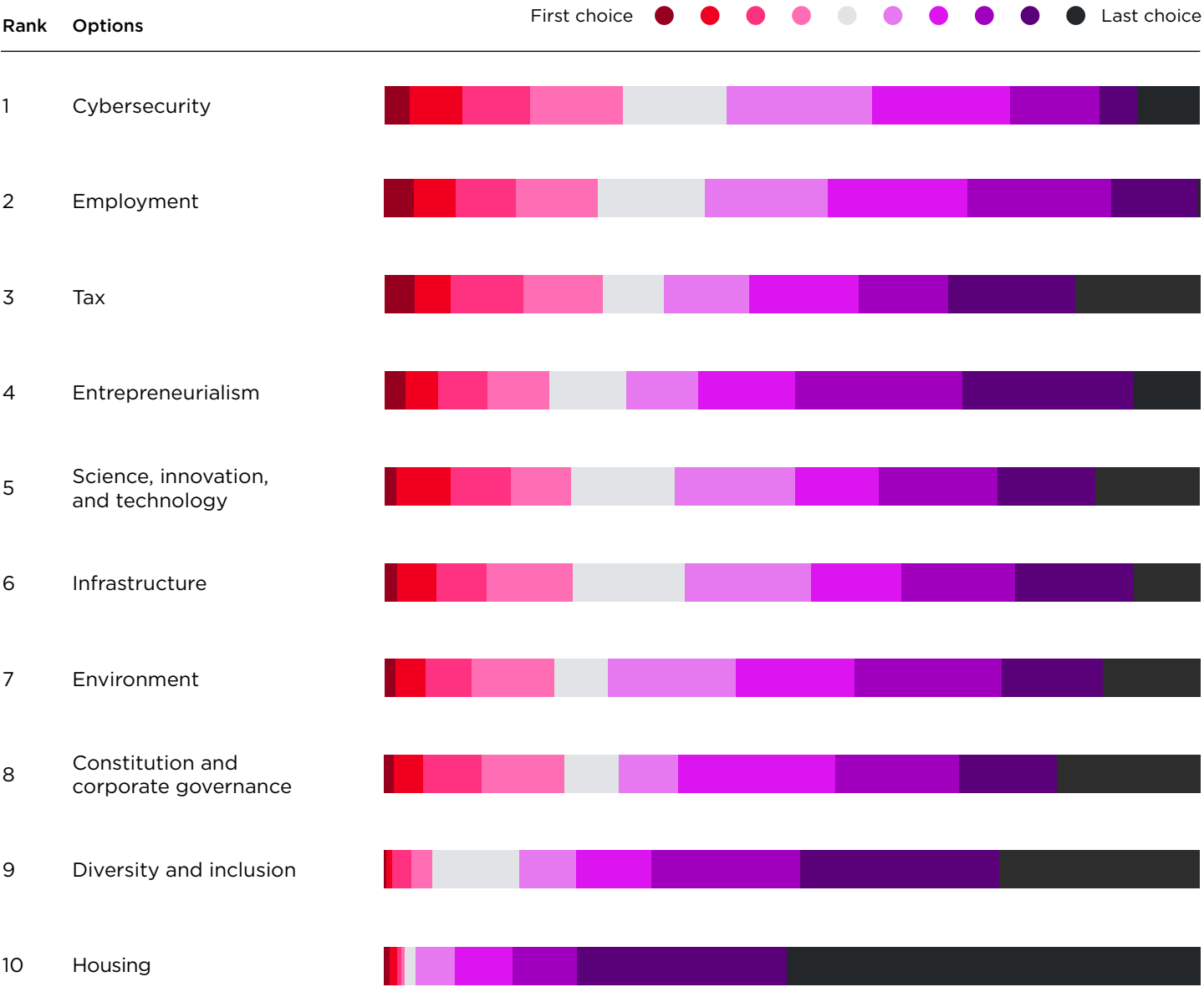
Response	%
No	63
Yes	37

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.

67% of respondents have stated that their organisations are actively pursuing growth, a decrease of only 2% from last year's 69%. 13% were happy to remain stable, 10% were cutting costs in a difficult trading environment, 9% were focusing on their core offering and the remaining 1% did not have a view.

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



The three key areas of policy priorities for the year ahead were cyber security, employment and taxation. Cyber and employment were also in the top three last year, with taxation a new addition this year.

Concluding remarks

IoD Scotland will use the results from this State of the Nation Director's 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. Post May 2026, IoD Scotland will be taking our State of the Nation results to every elected MSP across Scotland as we embark on our engagement with newly elected members of Holyrood.

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 2027. In the meantime, we would encourage all IoD Scotland members to continue 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/news/policy-voice

To discuss any aspect of the State of the Nation in further detail, please contact
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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.

