



# Policy Voice full survey results March 2026

- Economic security
- Workplace conflict
- Economic confidence

Number of respondents: 591  
Survey Dates: 13-30 March 2026



Economic security

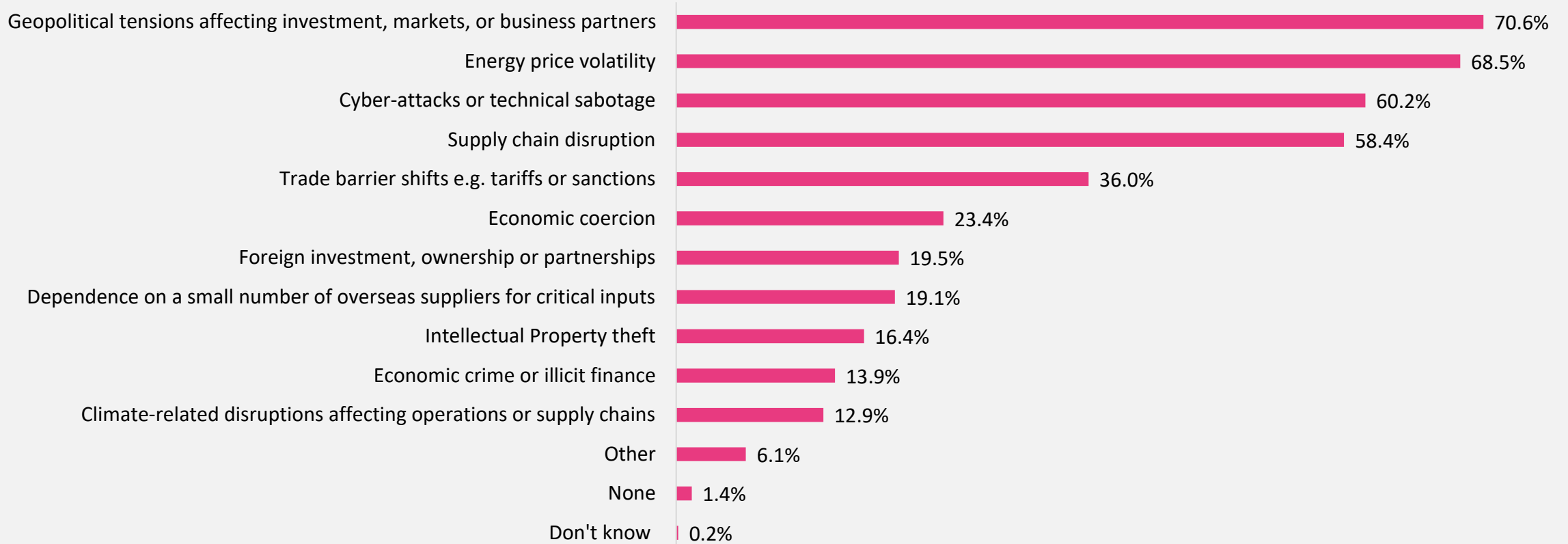




## Geopolitics and energy shocks dominate IoD members' risk concerns

### How concerned are you about the following economic security risks?

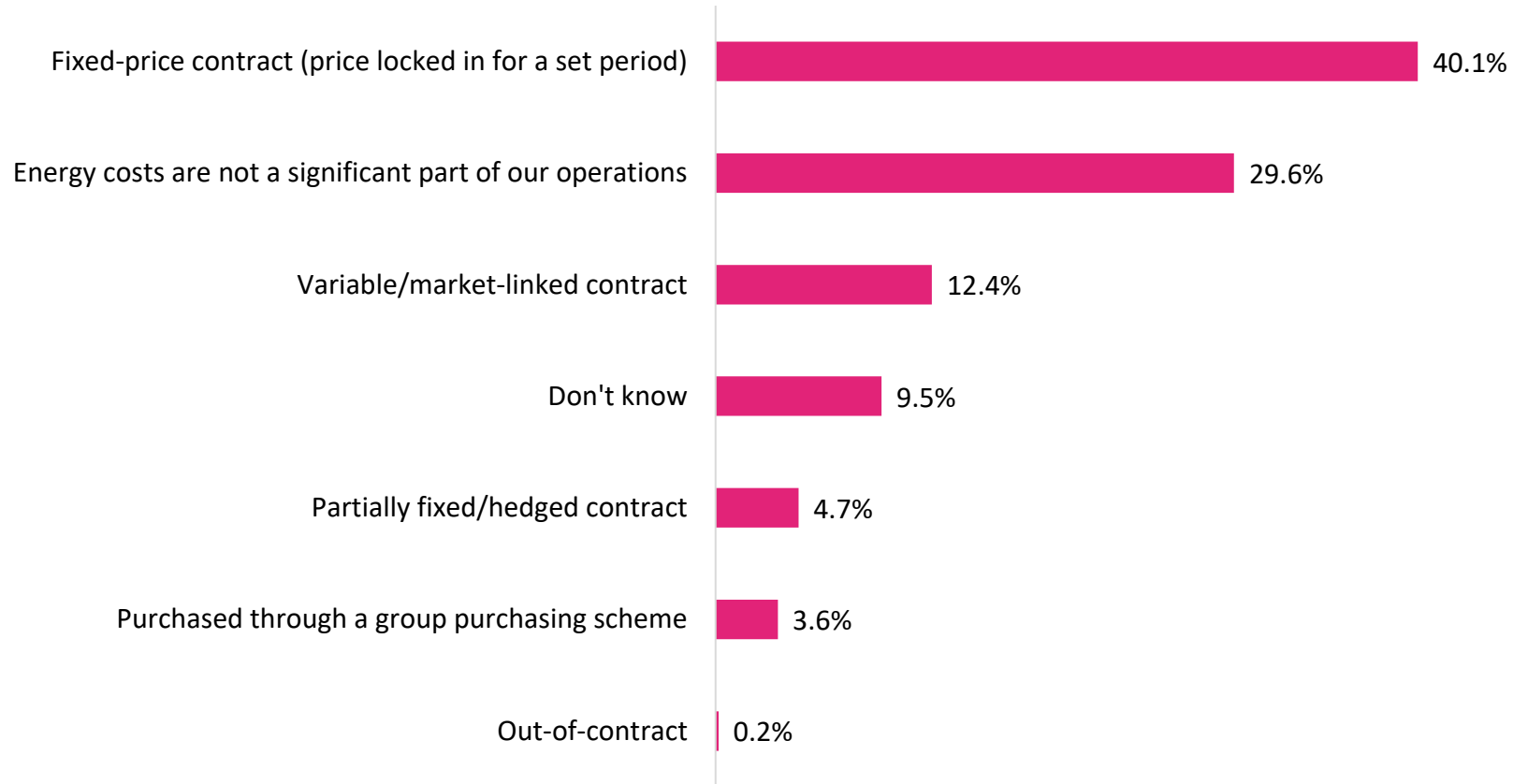
Please tick all that apply.





## IoD firms predominantly rely on fixed-price electricity contracts

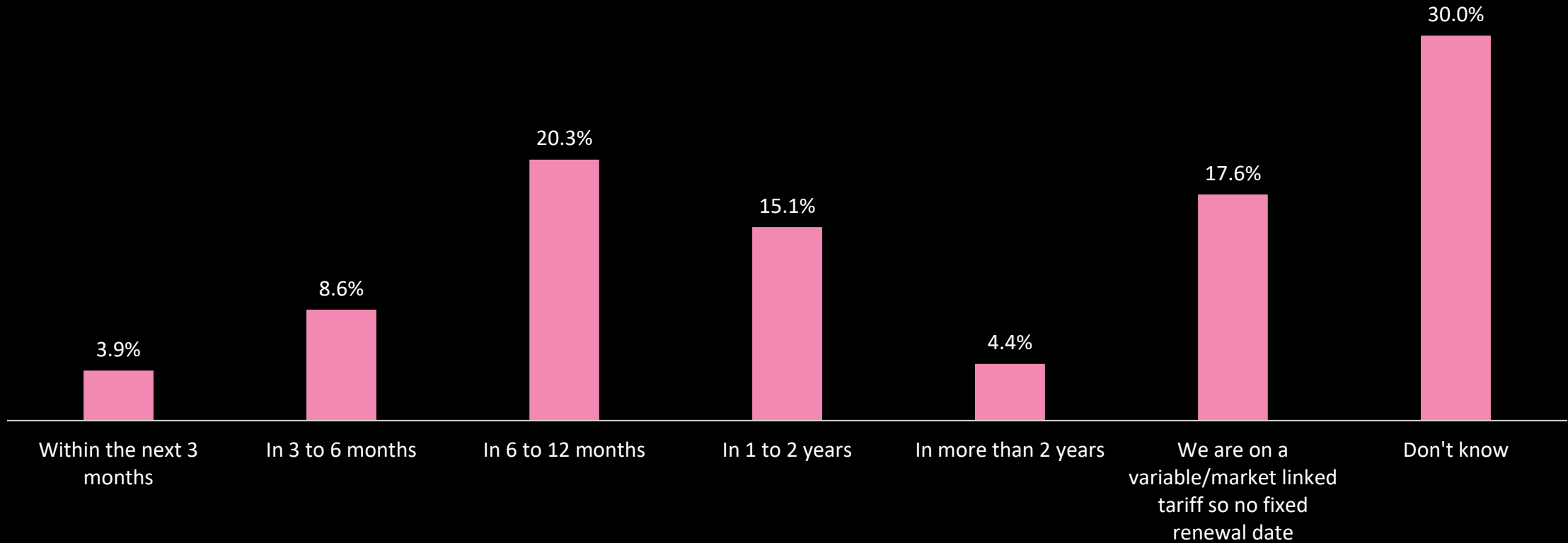
Which of the following best describes your organisation's main electricity supply contract?





## IoD members face mixed exposure to variable and renewing electricity contracts

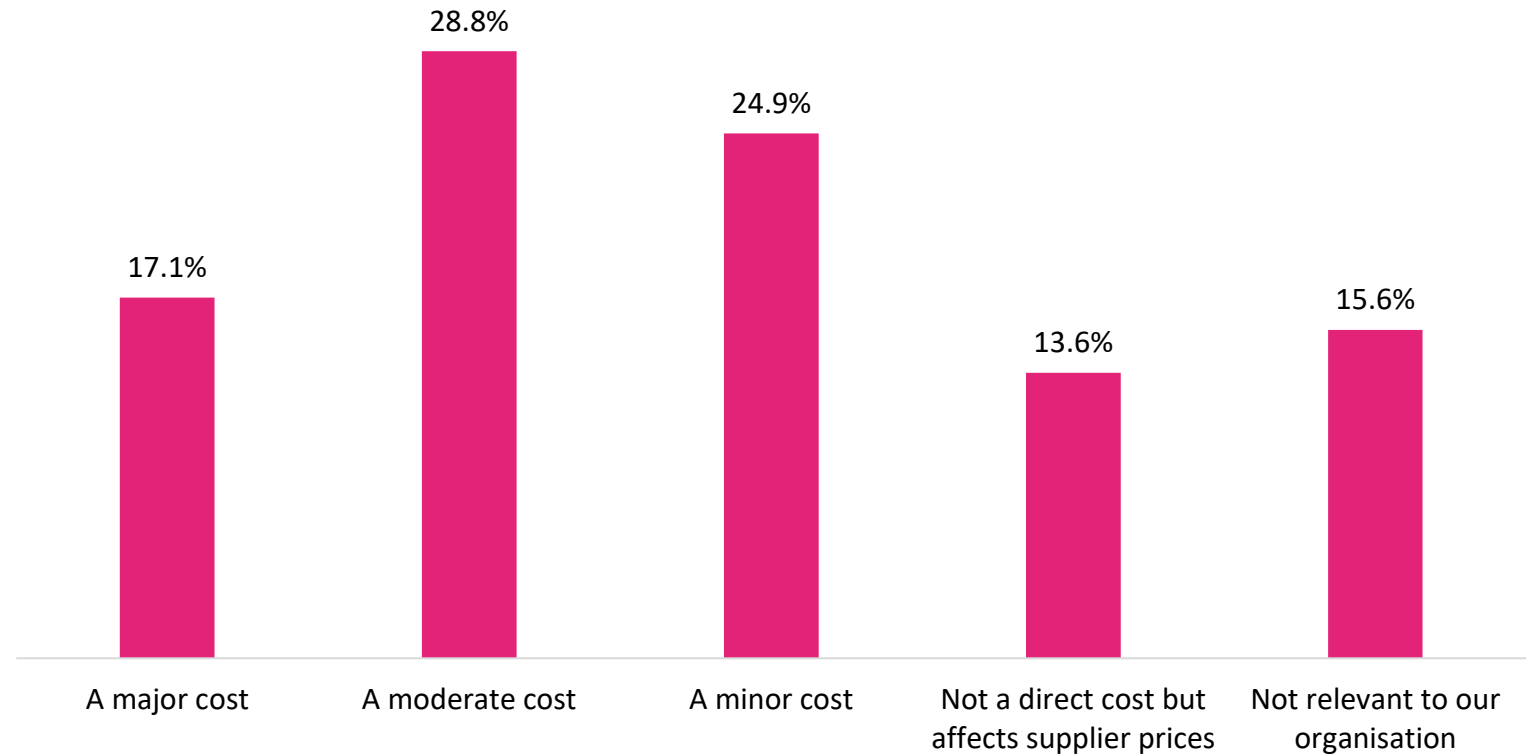
Which of the following best describes your organisation's main electricity supply contract?





## Most IoD members face meaningful fuel and transport cost exposure

How significant are fuel and transport costs (e.g. petrol, diesel, shipping or logistics) for your organisation?





**Members' exposure to the current energy crisis varied, with 69% concerned about energy price volatility and 46% describing fuel and transport costs as a major or moderate cost for their organisations.**

**Although the survey found that the most common electricity supply contract is a fixed-price contract, and that only 13% of members reported that their contract was up for renewals in the next six months, many respondents described a sudden increase in energy costs resulting from the US-Iran war:**

*"Our fuel costs have risen 16% in the last 10 days"* (2-9 employees, Professional, scientific and technical activities, East of England)

*"Fuel cost will be the major short term issue, most likely affecting shipping cost first and then energy costs as both our suppliers and we have to buy electricity at a higher price."* (100-249 employees, Manufacturing, North West England)

*"Fuel costs and parts have risen and works being carried out were quoted before the unrest in the middle east so unable to recoup."* (2-9 employees, Construction, Scotland)

*"We are major energy and fuel user so very damaging which will adversely affect investment and employment"* (250+ employees, Other services, North West England)

*"Oil, diesel, bitumen and oil based products have gone up +10-20% in a matter of weeks, with more increases expected, as most of our products have to be imported from Europe as local refineries in UK closed."* (250+ employees, Construction, South East England)

**Others referred to longer-term drivers of UK industrial energy costs, which are coming into effect at the same time as war-driven volatility in international energy markets:**

*"We run a precision sheet metal work company with a stove enamelling and powdercoating and we have already been advised degreasing fluid will increased by 50% next month. This was prior to the situation in the Middle East."* (10-49 employees, Manufacturing, South East England)

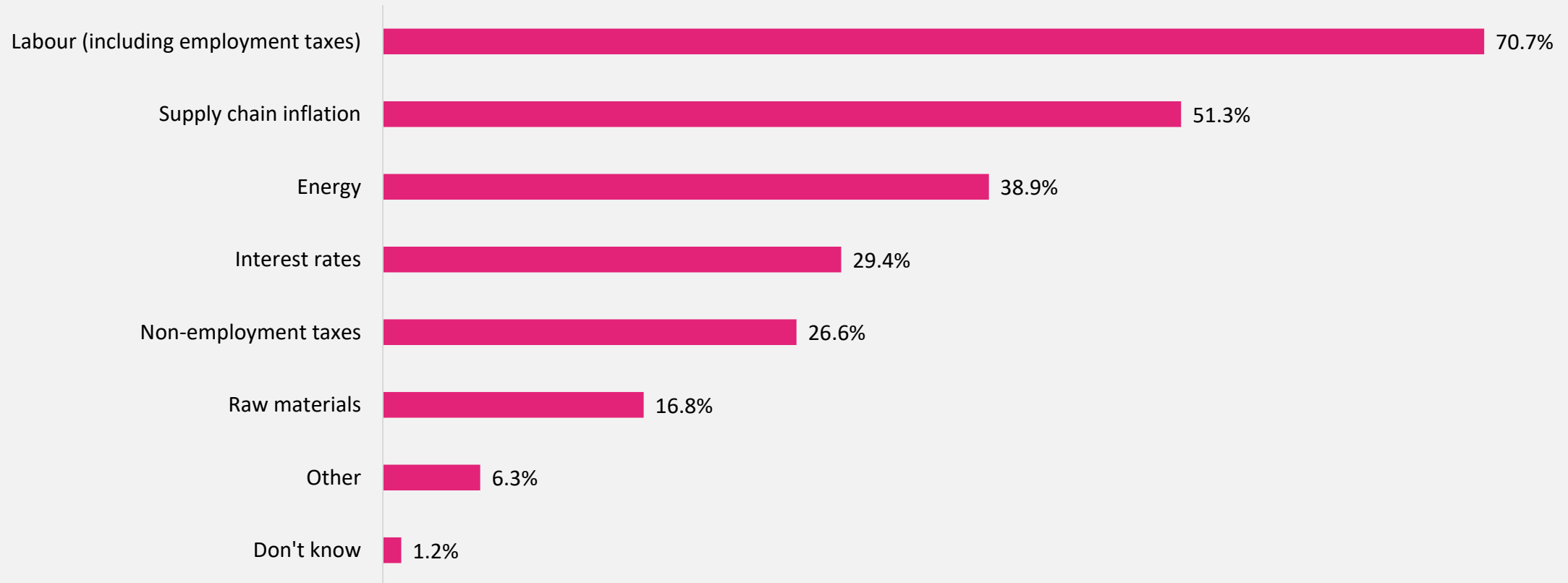
*"As Ofgem's RIIO-ET3 commences, and this will put pressure on all industrial users of electricity. I have forecast an additional £1m in costs over the next 2 years for the group of companies I work for, just in transmission costs alone."* (50-99 employees, Manufacturing, East of England)



## Employment costs are the primary driver of cost pressures for IoD members

What are the biggest factors driving your outlook for costs over the year ahead?

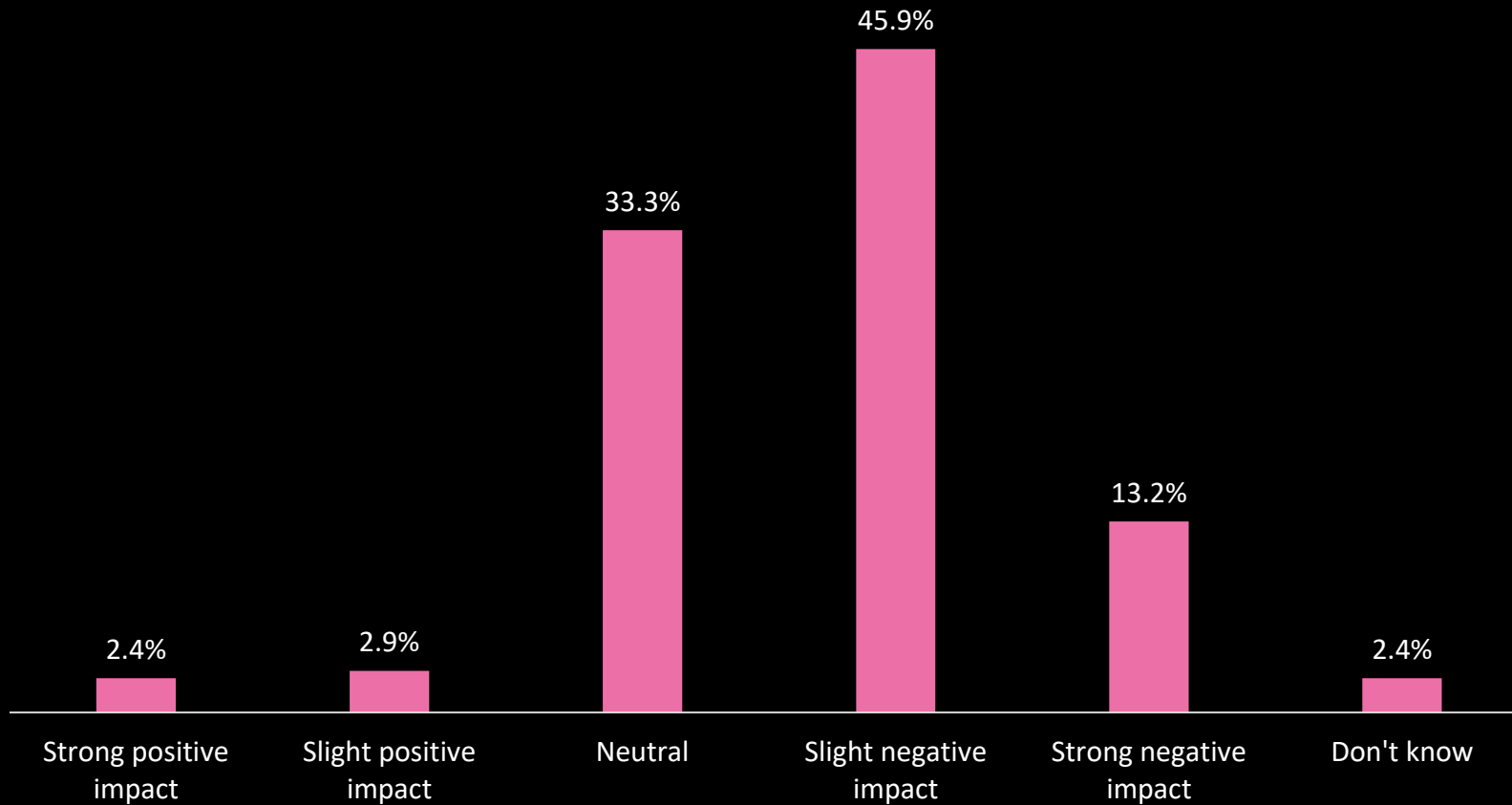
Please select up to three.





## Middle East conflict has had a modest negative impact for many IoD members

To what extent has the conflict in the Middle East had an impact on your organisation so far?





**Overall, members reported that the conflict in the Middle East is having uneven but increasingly negative impacts, with most effects felt indirectly through rising costs, disrupted trade and travel, and weakening confidence, rather than through immediate operational shutdowns. While some organisations reported minimal impact so far, many emphasised that risks are escalating the longer the conflict continues.**

**A common theme was heightened uncertainty and reduced confidence, affecting investment, purchasing and hiring decisions. Members described customers, investors and counterparties adopting a “wait and see” approach, leading to delayed projects and stalled growth.**

*“With so much uncertainty prospective clients are choosing to do nothing and wait.”*  
(London, financial and insurance activities, 10–49 employees)

*“Customers deep business concerns around the effect of this war which is already holding back planned purchasing. It’s the worst business month in 6 years.”* (North West England, publishing and content production, 10–49 employees)

**Rising energy, fuel and logistics costs were the most frequently cited direct impact. Many respondents linked volatility in oil, gas and freight markets to higher operating costs that are difficult to absorb or pass on, particularly where work was priced before the conflict escalated.**

*“Shipping costs are increasing every time we get a container... fuel surcharges from 9% to 13% just this week. All costs are increasing.”* (East Midlands, agriculture, forestry and fishing, 2–9 employees)

*“Oil, diesel, bitumen and oil based products have gone up 10–20% in a matter of weeks, with more increases expected.”* (South East England, construction, 250+ employees)

**Members with direct exposure to the Middle East highlighted travel restrictions, cancelled visits and postponed contracts as an immediate concern, with some reporting material revenue losses where the region accounts for a significant share of sales.**

*“100% of my revenue is from the Middle East... over time not being able to travel to the GCC States may put my business at risk.”* (South East England, real estate, 2–9 employees)

*“Contracts in Riyadh... have had to be cancelled due to not being able to travel and deliver services in person. Significant loss of income as a result.”* (East of England, wholesale and retail trade, 50–99 employees)

**Supply chains were also reported to be under growing strain, with delays, rising input prices and precautionary stock-building creating cash-flow pressures, particularly in manufacturing and construction.**

*“This causes a serious working capital issue in the region of £3–5m, which was not budgeted for.”* (South West England, manufacturing, 250+ employees)

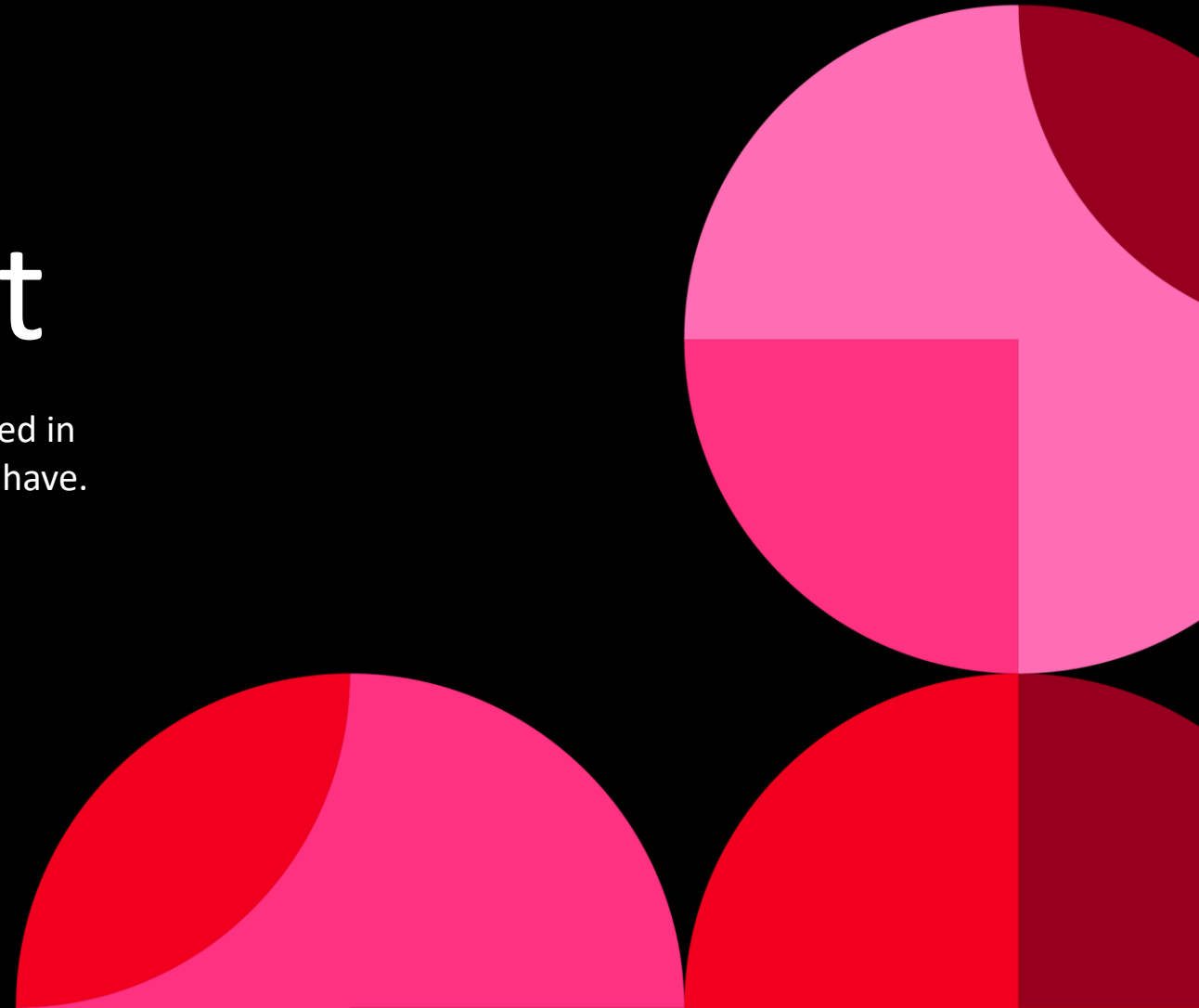
**Finally, a small number of members noted sector-specific upsides, particularly in defence, energy security and renewables, though these were generally described as partial offsets rather than net positives.**

*“We install solar and batteries so for us we have seen a marked increase in business enquiries as customers seek to secure their energy future.”* (South West England, other services, 50–99 employees)

# Workplace conflict

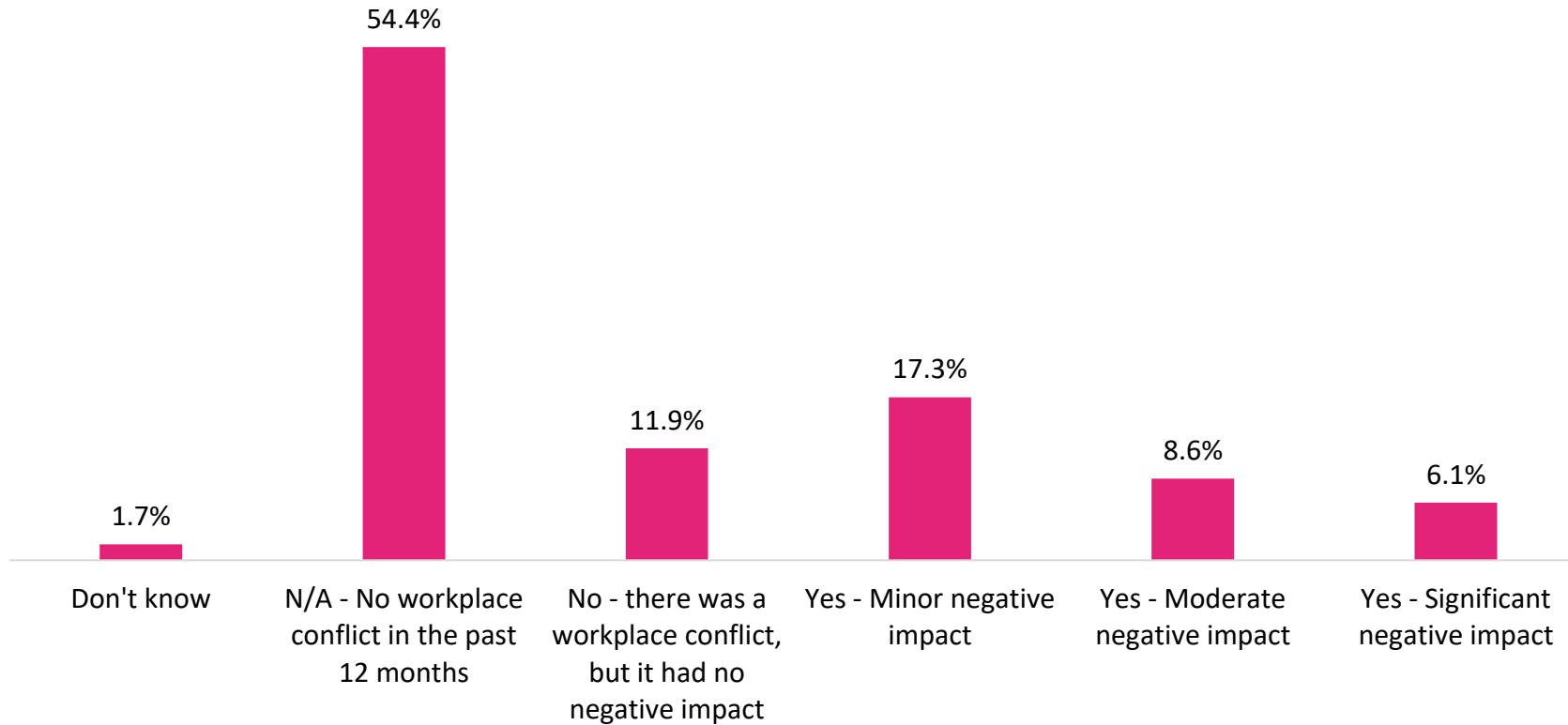
Acas, the Advisory, Conciliation and Arbitration Service, is interested in understanding the experience of workplace conflict IoD members have.

Conflict at work can take many forms, ranging from informal disagreements or difficult working relationships through to formal disputes. These may involve isolated incidents or ongoing issues.



## Workplace conflict affects a minority of IoD members

Over the past 12 months, has workplace conflict had a negative overall impact on your organisation?





## Workplace conflict primarily affects morale, wellbeing and retention for IoD members

Over the past 12 months, which of the following have been the main impacts of workplace conflict for your organisation?

Please select up to three. If there have been more than three impacts, please select the three with the largest impact.





**Just under half (44%) of members reported experiencing workplace conflict in some form over the past year, with a third (31%) reporting that their organisations saw negative impacts as a result. For those who experienced negative impacts, reduced motivation (55%), reduced wellbeing (49%), and staff turnover (44%) were the most commonly cited effects.**

**Several business leaders highlighted concerns regarding the potential for employees to bring unfair claims to tribunal, with significant time and cost implications for employers:**

*“We had a claim from someone with less than 2 years experience so they lied about being pregnant in order to bring an unlawful dismissal claim. This was at the end of 2023 and we are still ongoing in the courts”* (100-249 employees, Professional, scientific and technical activities, East of England)

*“[Employees can] utilise the far too easy tribunal route to gain payouts or try their luck at no risk to themselves.”* (50-99 employees, Professional, scientific and technical activities, East Midlands)

*“The current system is lose / lose for the company and win / win for the ambulance chasers.”* (50-99 employees, Manufacturing, Wales)

**Other respondents highlighted the significant negative impacts arising from workplace conflict, particularly regarding management time:**

*“We have found it difficult to move on organisational changes due to ongoing issues”* (50-99 employees, Manufacturing, South East England)

*“Unclear regulation and the use of AI by employees for legal advice has led to an employment dispute which has proved very costly in management time and legal fees for the company.”* (100-249 employees, Human health and social work activities, East of England)

*“One a very minor one-off incident, but has taken a huge amount of time and management to resolve”* (250+ employees, Wholesale and retail trade (including motor repair), West Midlands)

# Economic Monitoring: data

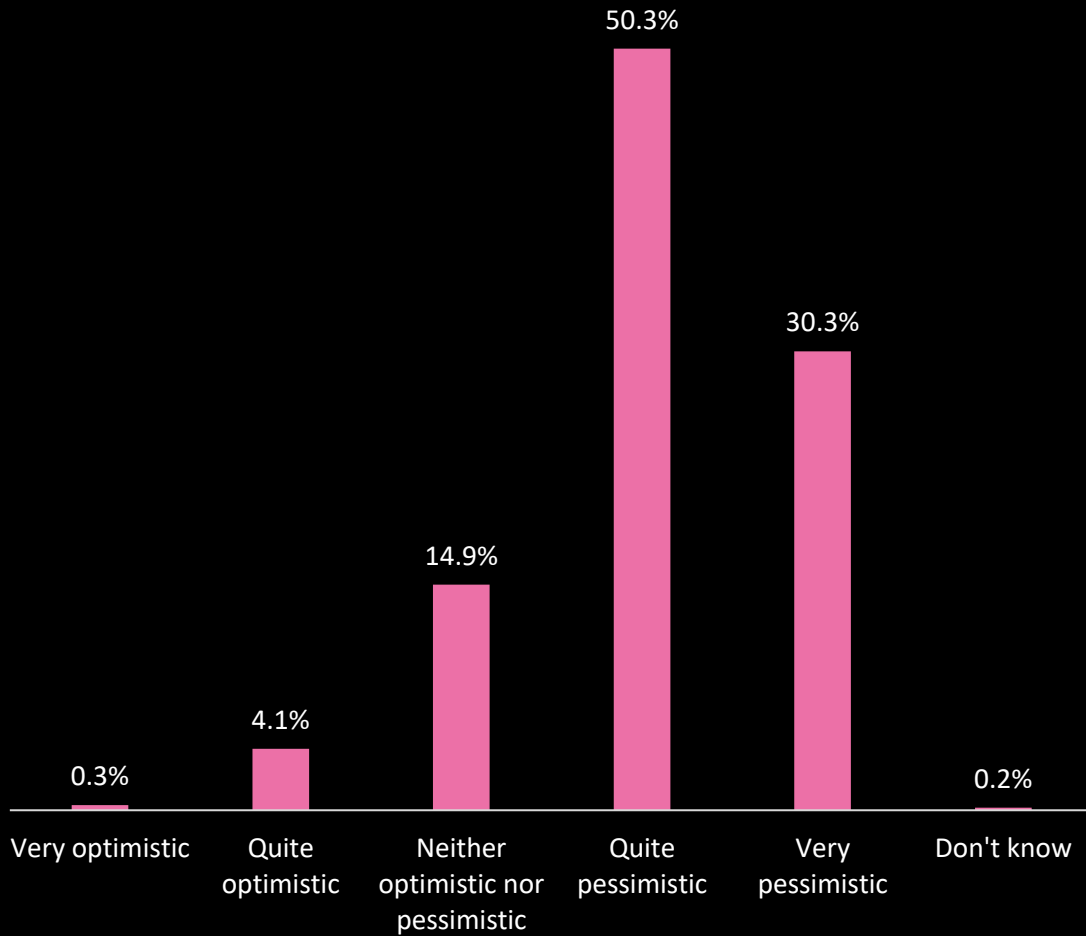
The following data contributed to our [Director's Economic Confidence Index](#), which we send directly into the heart of government each month.

This data is widely reported in the national media.

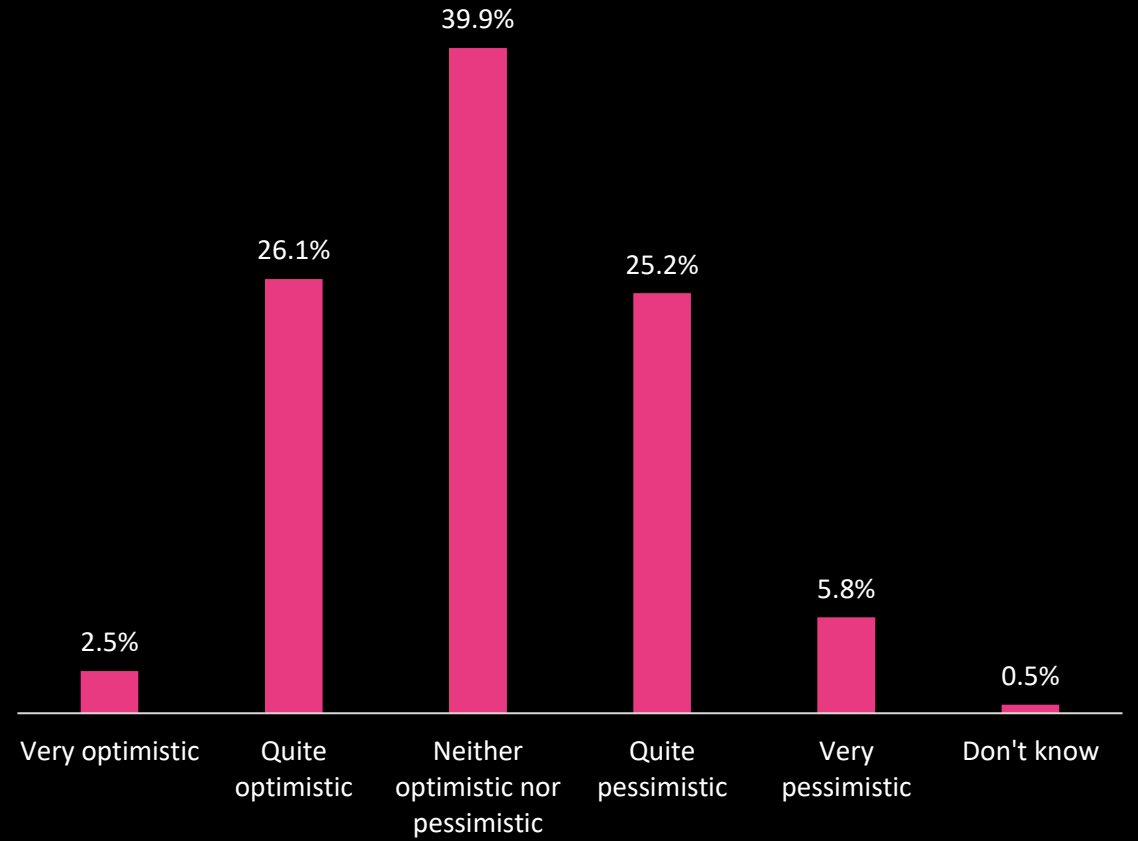


## How optimistic are you about both the wider UK economy and also your organisation over the next 12 months?

Wider UK economy



Your (primary) organisation





**Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of:**

|                     | Much higher | Somewhat higher | No change | Somewhat lower | Much lower | N/A   | Don't know |
|---------------------|-------------|-----------------|-----------|----------------|------------|-------|------------|
| Business investment | 3.7%        | 20.3%           | 36.0%     | 22.5%          | 14.4%      | 2.5%  | 0.5%       |
| Costs               | 20.6%       | 68.9%           | 7.4%      | 1.0%           | 0.7%       | 0.7%  | 0.7%       |
| Exports             | 1.9%        | 13.0%           | 27.6%     | 8.5%           | 4.2%       | 43.7% | 1.2%       |
| Headcount           | 1.9%        | 21.7%           | 50.1%     | 19.6%          | 4.2%       | 2.0%  | 0.5%       |
| Revenue             | 5.1%        | 37.9%           | 25.4%     | 24.4%          | 5.6%       | 1.0%  | 0.7%       |
| Wages               | 4.4%        | 51.9%           | 30.8%     | 7.1%           | 2.4%       | 2.5%  | 0.8%       |

**Members' confidence in the wider UK economy fell to its lowest level on record in March, with responses dominated by pessimism, frustration and a strong sense that economic conditions are deteriorating rather than stabilising. Comments point to weak demand, persistent uncertainty, high costs and a lack of credible long-term direction, with government policy frequently cited as a central concern.**

**Many members described the broader environment as actively constraining growth, with businesses delaying investment, cutting back on hiring and focusing on survival rather than expansion.**

*“Every business owner I know is holding back on investing in their company, and every business owner I know complains of seeing very little light at the end of the tunnel.”* (North East England, other services, 10–49 employees)

*“Continued extremely poor market sentiment. Continual government own goals.”* (London, professional, scientific and technical activities, 2–9 employees)

**Uncertainty was repeatedly highlighted as the single biggest drag on confidence, driven by fluctuating interest rates, energy and input costs, geopolitical instability and frequent policy changes. Members argued that this lack of predictability is making customers, investors and counterparties increasingly reluctant to commit.**

*“With lack of confidence and certainty, clients are delaying or stopping projects.”* (South East England, financial and insurance activities, 2–9 employees)

*“Uncertainty creates opportunity - but right now it is mostly delaying expenditure.”* (London, financial and insurance activities, 250+ employees)





**Alongside this macro pessimism, many respondents expressed strong dissatisfaction with the UK policy environment, citing taxation, regulation, labour costs and public procurement delays as directly undermining confidence and growth prospects.**

*“The government keeps driving up business costs so businesses are cutting costs and not investing.”* (Yorkshire and the Humber, wholesale and retail, 50–99 employees)

*“It’s more a question of what’s holding us back – poor government, regulation and time wasted as a result.”* (Wales, financial and insurance activities, 2–9 employees)

**Despite the bleak outlook for the wider economy, a notable number of members reported greater confidence in their own organisations, often driven by diversification, innovation, exports or sector-specific demand. Many described actively adapting strategy to offset domestic weakness, particularly by expanding internationally or into defence, energy and technology-led markets.**

*“Dampened demand in the UK is being offset by growth in North America or Europe.”* (South East England, professional, scientific and technical activities, 2–9 employees)

*“We are investing in other markets outside of the UK - Asia, Europe and the USA.”* (East of England, transportation and storage, 250+ employees)

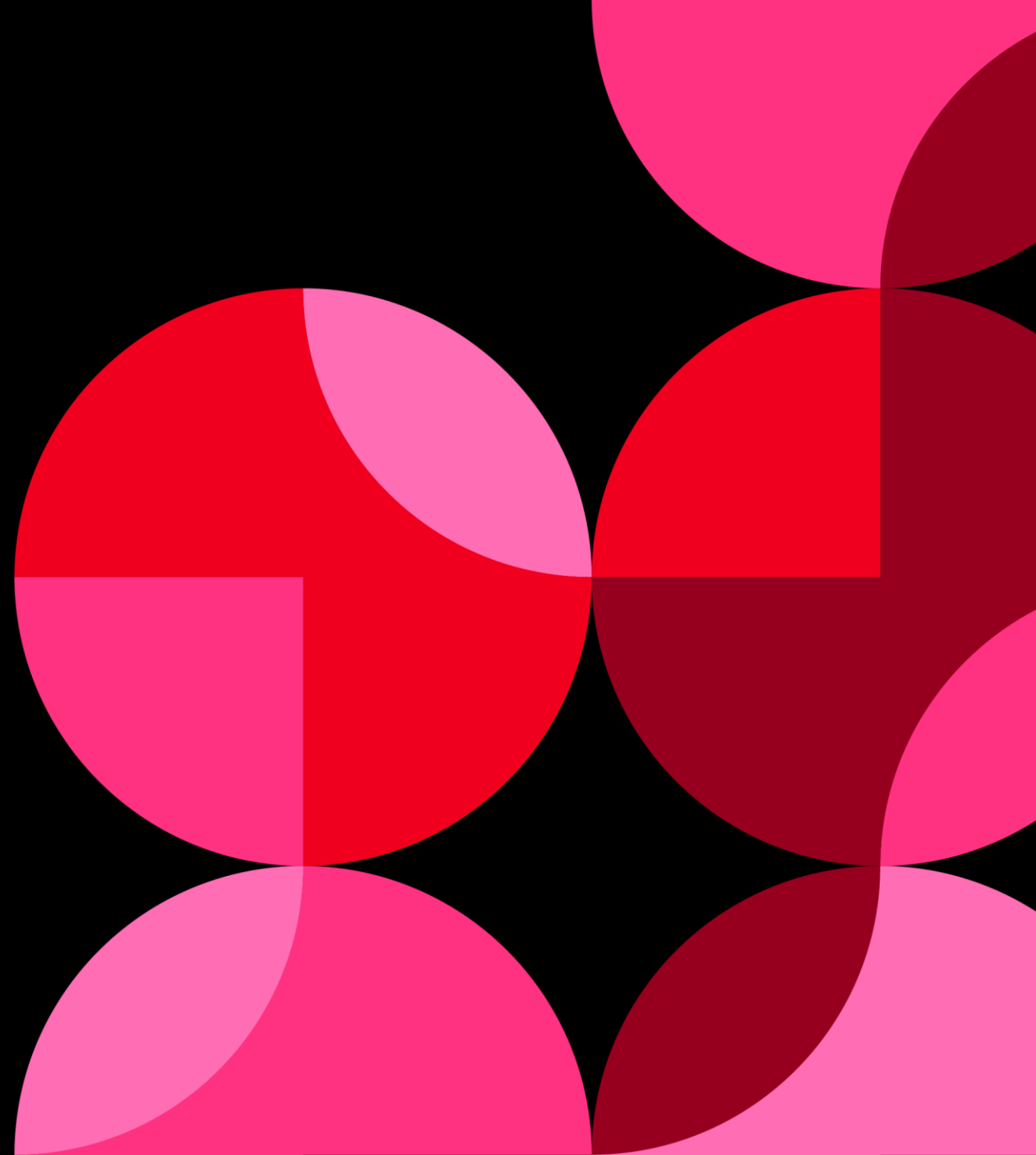
**Others highlighted resilience built through strong order books, niche positioning or recent investment, even while acknowledging margin pressure and rising costs.**

*“We have a strong order book and are currently recruiting, though margins may be affected.”* (Scotland, construction, 100–249 employees)

*“We have developed truly innovative techniques that differentiate us from competitors and allow us to win market share.”* (East Midlands, professional and technical activities, 50–99 employees)

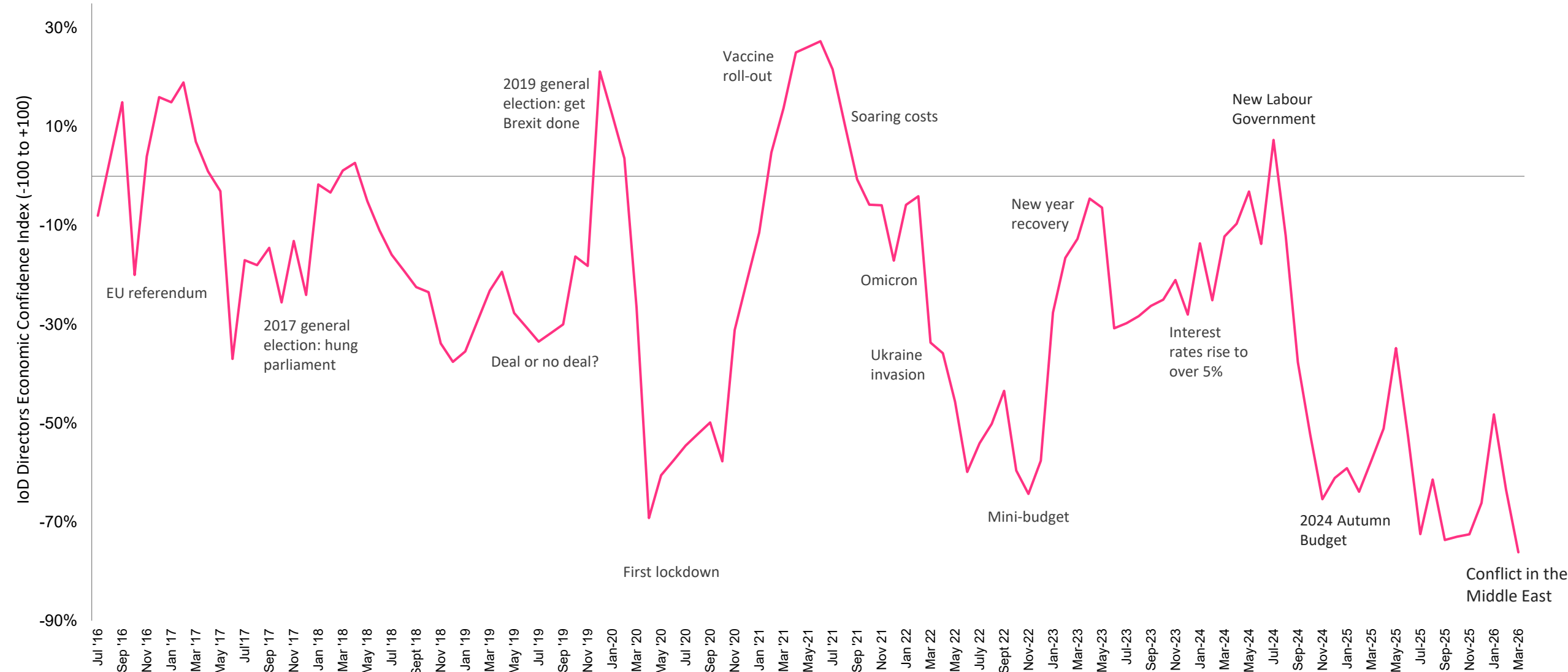


# Economic Monitoring: trends





# Middle East conflict drives economic confidence to new record low

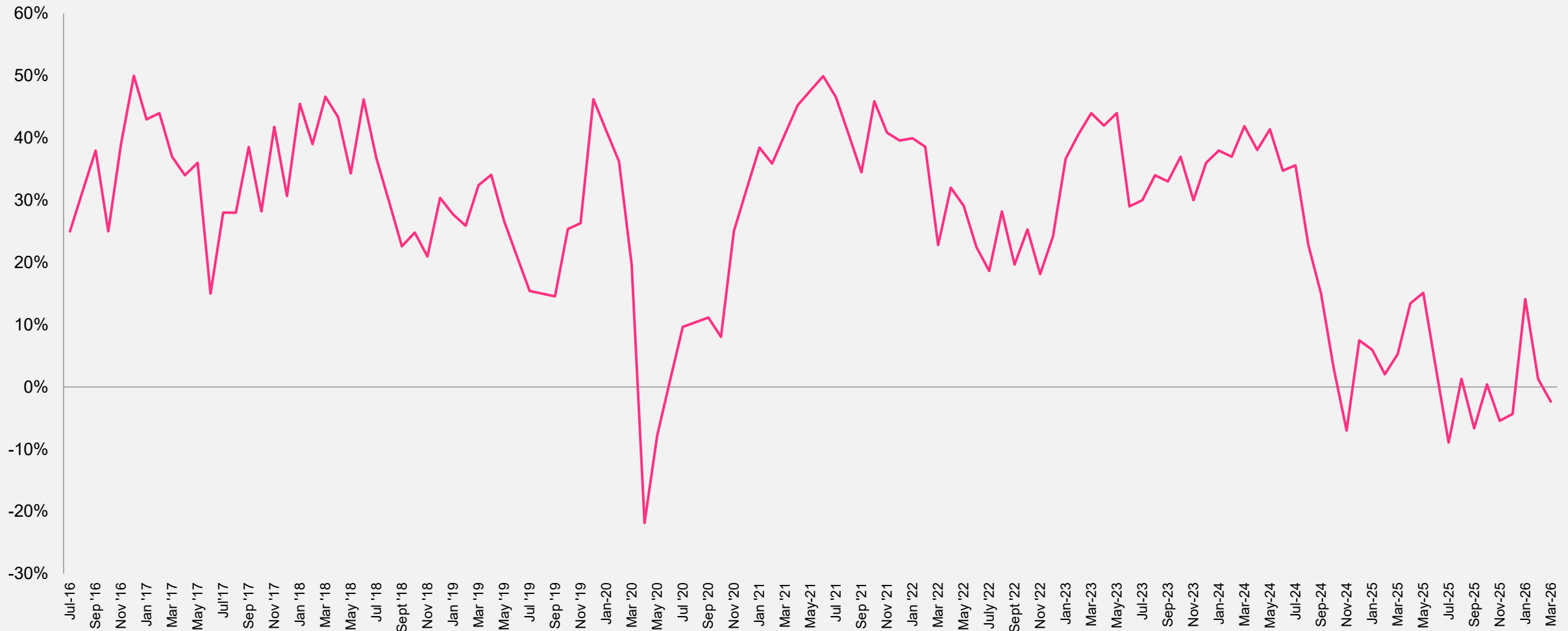




# Business leader confidence in their own organisations fell, to -2 in March from +1 in February

*How optimistic are you about your own organisation over the next 12 months?*

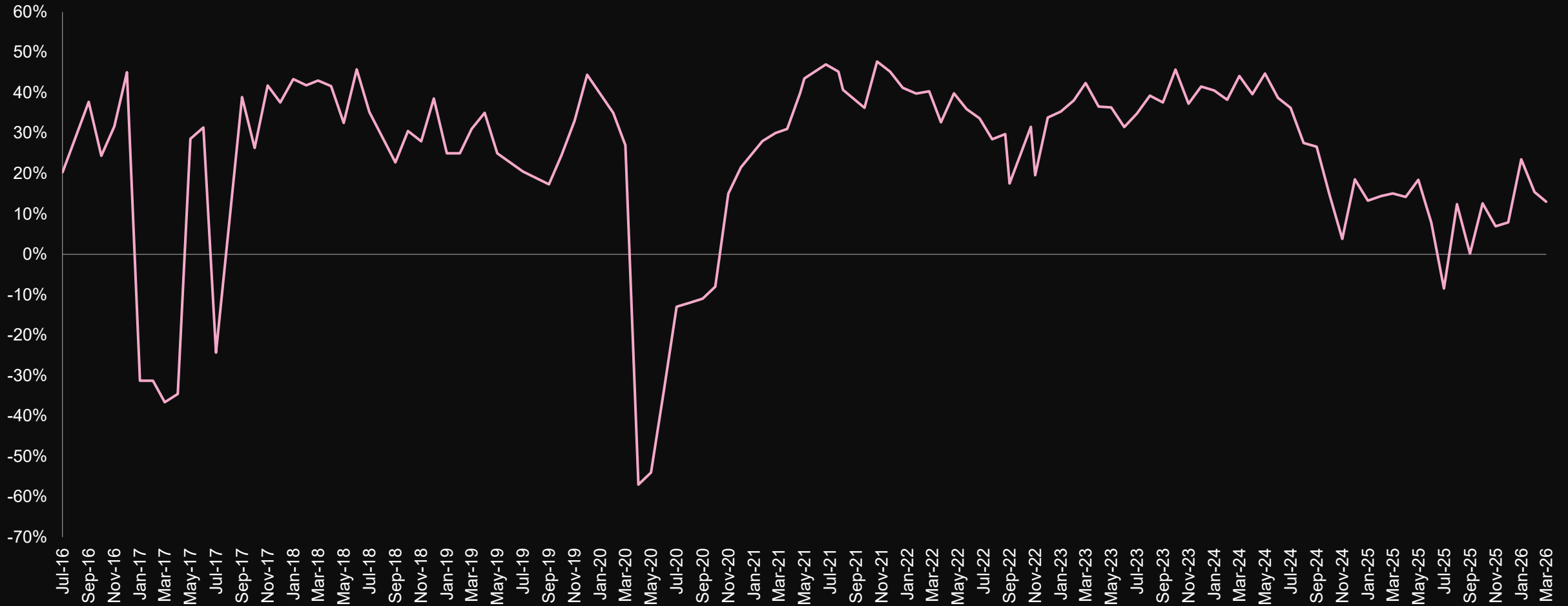
*5-point scale from very optimistic to very pessimistic, net optimistic % Source: IoD monthly Policy Voice surveys*





## Revenue expectations dipped to +13 from +15

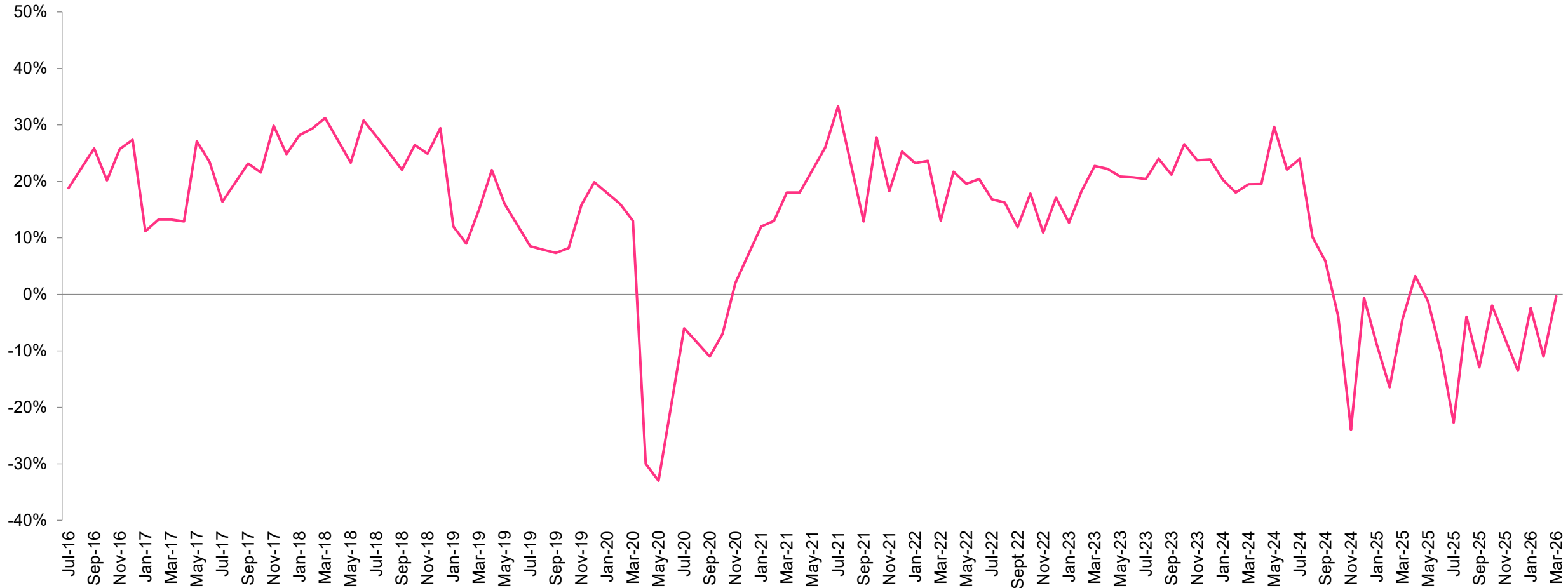
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: REVENUE.  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





# Headcount expectations rose to 0 from -11

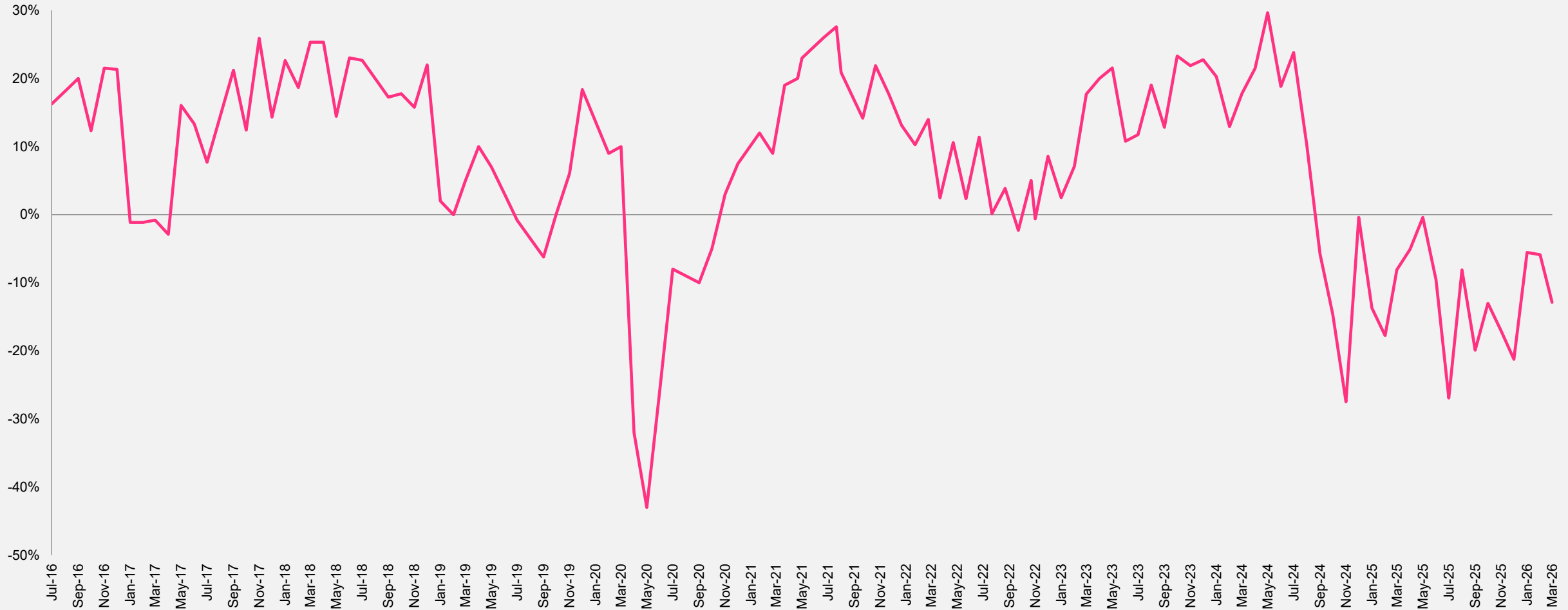
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: HEADCOUNT.  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





## Investment intentions fell to -13 from -6

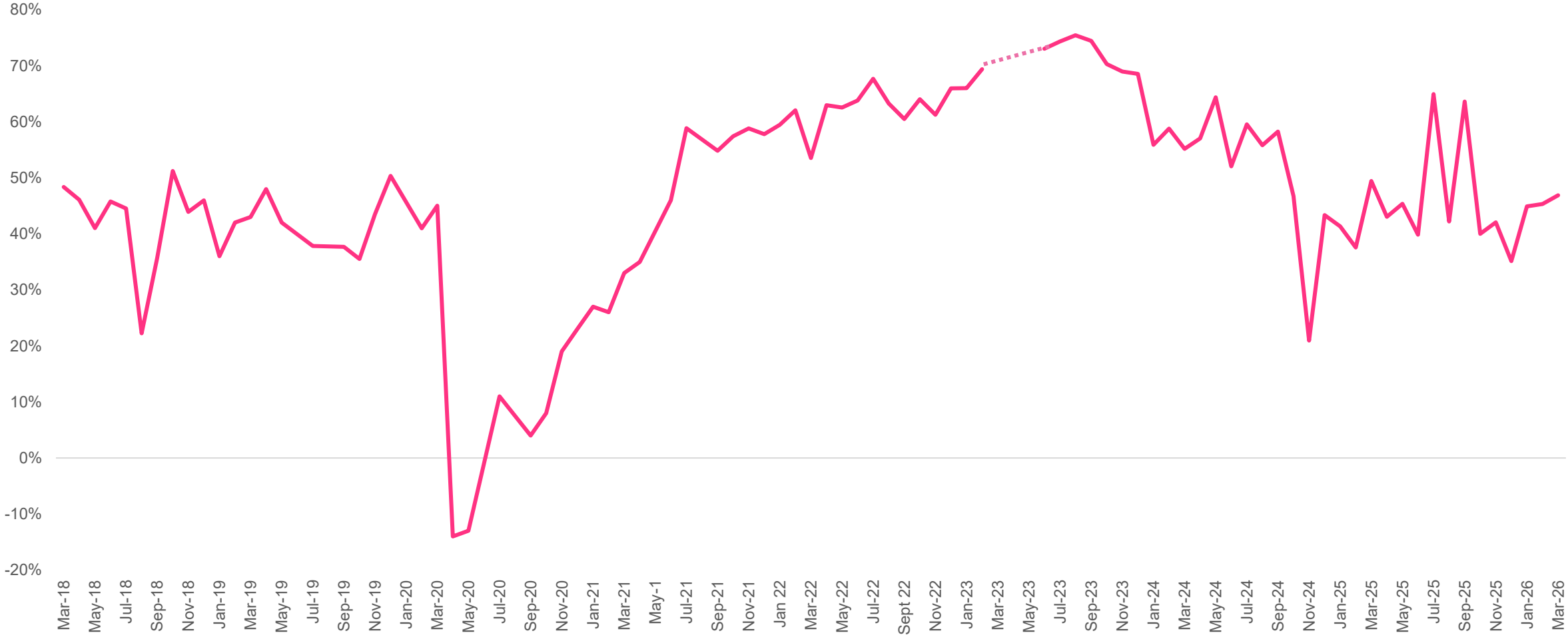
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: INVESTMENT.  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





# Wage expectations rose to +47 from +45

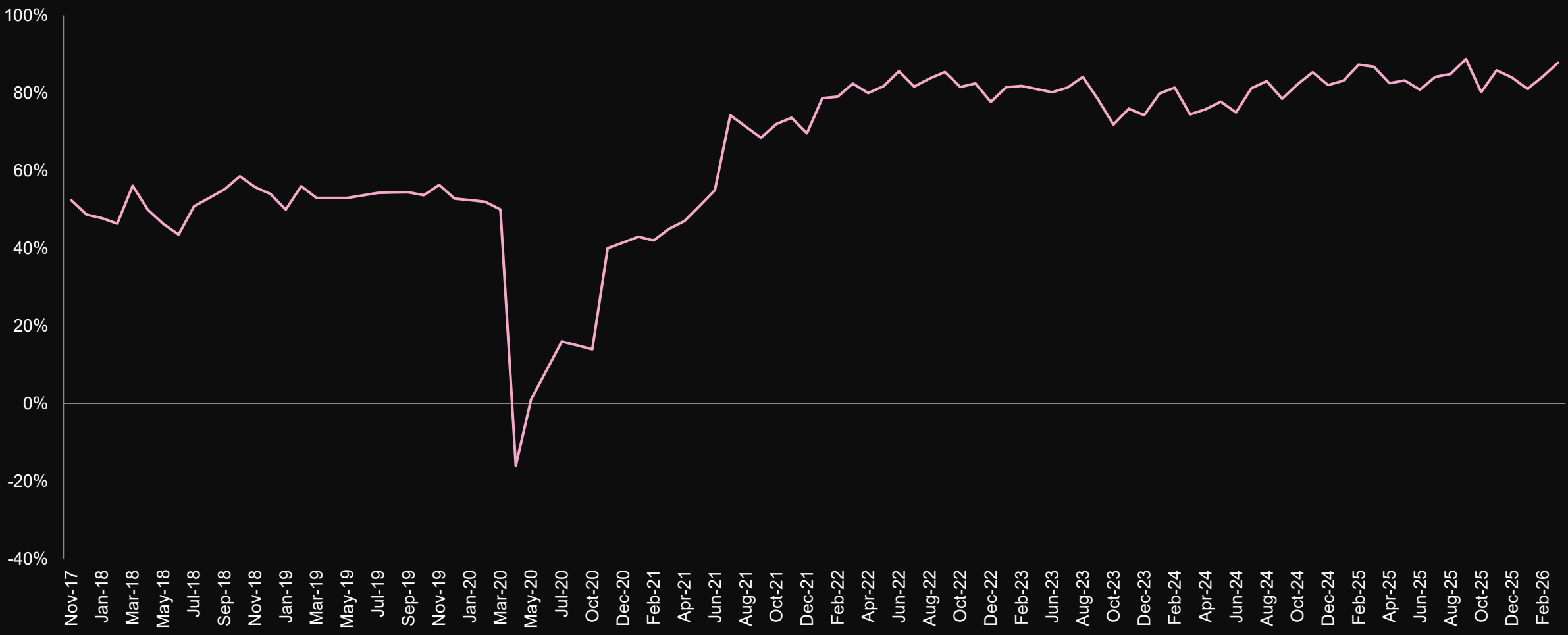
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: WAGES.  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





# Cost expectations rose to +88 in March, the second highest reading on record (+89 Sept 2025)

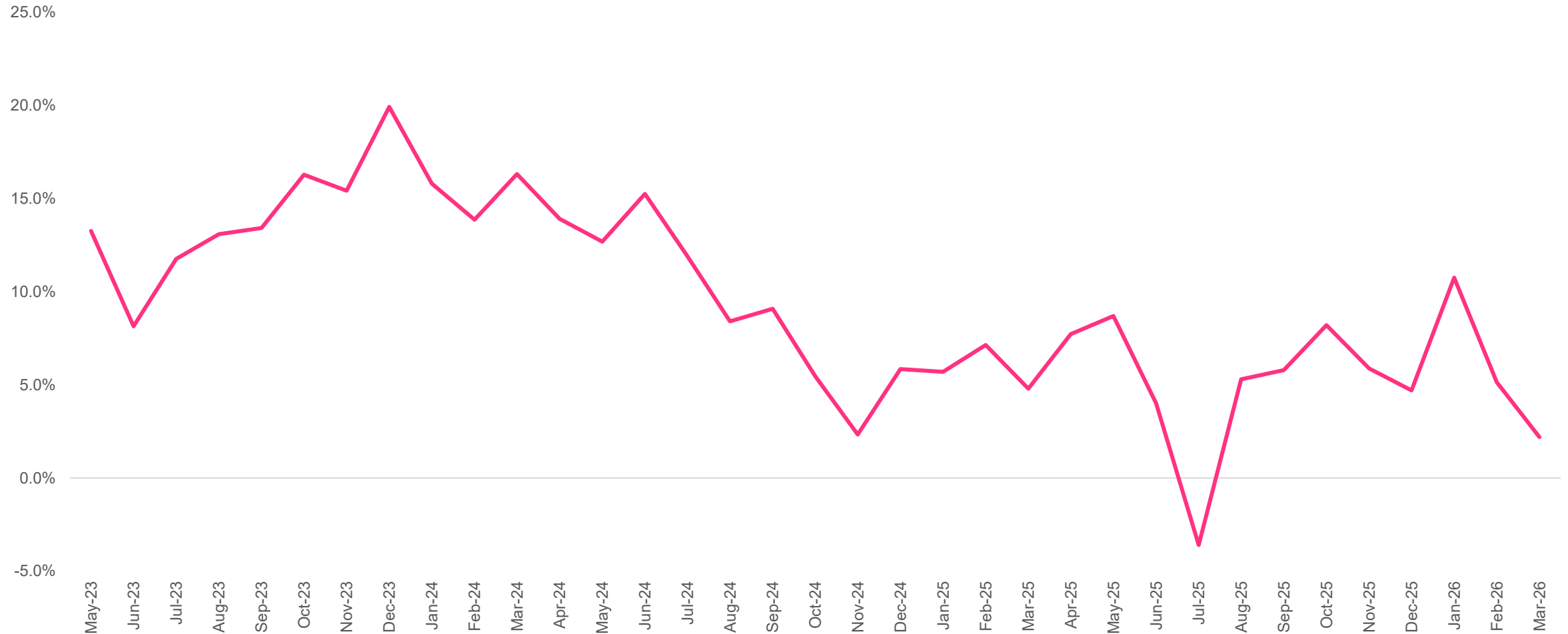
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: COSTS.  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





## Export expectations dipped to +2 from +5

Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: EXPORTS  
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys. Question first asked in April 2023.





# Economic Monitoring: sectoral breakdown



## Wider UK economy

|                                    | Accommodation and food services | Activities of extraterritorial organisations and bodies | Administrative and support services | Agriculture, Forestry and Fishing | Arts, entertainment and recreation | Construction | Education | Electricity and/or gas supply | Financial and insurance activities | Human health and social work activities | Manufacturing |
|------------------------------------|---------------------------------|---|-------------------------------------|-----------------------------------|------------------------------------|--------------|-----------|-------------------------------|------------------------------------|---|---------------|
| Very optimistic                    | 0.0%                            | 0.0%  | 0.0%                                | 0.0%                              | 0.0%                               | 0.0%         | 0.0%      | 0.0%                          | 2.0%                               | 0.0%                                    | 0.0%          |
| Quite optimistic                   | 0.0%                            | 0.0%  | 11.8%                               | 0.0%                              | 0.0%                               | 0.0%         | 5.9%      | 14.3%                         | 3.9%                               | 0.0%                                    | 2.6%          |
| Neither optimistic nor pessimistic | 0.0%                            | 0.0%  | 11.8%                               | 14.3%                             | 57.1%                              | 11.9%        | 23.5%     | 0.0%                          | 13.7%                              | 10.0%                                   | 19.2%         |
| Quite pessimistic                  | 55.6%                           | 0.0%  | 52.9%                               | 28.6%                             | 14.3%                              | 52.4%        | 41.2%     | 57.1%                         | 58.8%                              | 45.0%                                   | 50.0%         |
| Very pessimistic                   | 44.4%                           | 0.0%  | 23.5%                               | 57.1%                             | 28.6%                              | 35.7%        | 29.4%     | 28.6%                         | 21.6%                              | 45.0%                                   | 28.2%         |
| Don't know                         | 0.0%                            | 0.0%  | 0.0%                                | 0.0%                              | 0.0%                               | 0.0%         | 0.0%      | 0.0%                          | 0.0%                               | 0.0%                                    | 0.0%          |
| Total number of respondents        | 18                              | 0   | 17                                  | 7                                 | 7                                  | 42           | 17        | 7                             | 51                                 | 20                                      | 78            |

|                                    | Mining and quarrying | Other services | Professional, scientific and technical activities | Public administration and defence; compulsory social security | Publishing, broadcasting, and content production and distribution activities | Real estate | Telecommunication, computer programming, consulting, computing infrastructure and other information service activities | Transportation and storage | Water supply, sewerage and waste management | Wholesale and retail trade (including motor repair) |
|------------------------------------|----------------------|----------------|---|---|--|-------------|--|----------------------------|---|---|
| Very optimistic                    | 0.0%                 | 0.0%           | 0.0%  | 0.0%  | 0.0%   | 0.0%        | 0.0%   | 0.0%                       | 0.0%  | 4.8%  |
| Quite optimistic                   | 33.3%                | 1.6%           | 4.2%  | 0.0%  | 0.0%   | 4.5%        | 16.7%  | 0.0%                       | 0.0%  | 0.0%  |
| Neither optimistic nor pessimistic | 33.3%                | 14.3%          | 16.1%   | 0.0%  | 9.1%   | 4.5%        | 16.7%  | 27.3%                      | 16.7%                                       | 9.5%  |
| Quite pessimistic                  | 33.3%                | 49.2%          | 53.1%   | 100.0%  | 63.6%  | 54.5%       | 35.7%  | 45.5%                      | 50.0%                                       | 42.9%   |
| Very pessimistic                   | 0.0%                 | 33.3%          | 26.6%   | 0.0%  | 27.3%  | 36.4%       | 31.0%  | 27.3%                      | 33.3%                                       | 42.9%   |
| Don't know                         | 0.0%                 | 1.6%           | 0.0%  | 0.0%  | 0.0%   | 0.0%        | 0.0%   | 0.0%                       | 0.0%  | 0.0%  |
| Total number of respondents        | 3                    | 63             | 143   | 5   | 11   | 22          | 42   | 11                         | 6   | 21  |



## Your (primary) organisation

|                                    | Accommodation and food services | Activities of extraterritorial organisations and bodies | Administrative and support services | Agriculture, Forestry and Fishing | Arts, entertainment and recreation | Construction | Education | Electricity and/or gas supply | Financial and insurance activities | Human health and social work activities | Manufacturing |
|------------------------------------|---------------------------------|---|-------------------------------------|-----------------------------------|------------------------------------|--------------|-----------|-------------------------------|------------------------------------|---|---------------|
| Very optimistic                    | 0.0%                            | 0.0%  | 0.0%                                | 0.0%                              | 14.3%                              | 2.4%         | 0.0%      | 0.0%                          | 5.9%                               | 5.0%                                    | 5.1%          |
| Quite optimistic                   | 22.2%                           | 0.0%  | 41.2%                               | 14.3%                             | 0.0%                               | 19.0%        | 23.5%     | 28.6%                         | 19.6%                              | 35.0%                                   | 30.8%         |
| Neither optimistic nor pessimistic | 27.8%                           | 0.0%  | 23.5%                               | 28.6%                             | 57.1%                              | 38.1%        | 41.2%     | 57.1%                         | 56.9%                              | 25.0%                                   | 33.3%         |
| Quite pessimistic                  | 38.9%                           | 0.0%  | 29.4%                               | 28.6%                             | 14.3%                              | 31.0%        | 23.5%     | 14.3%                         | 13.7%                              | 35.0%                                   | 23.1%         |
| Very pessimistic                   | 11.1%                           | 0.0%  | 0.0%                                | 28.6%                             | 14.3%                              | 9.5%         | 11.8%     | 0.0%                          | 3.9%                               | 0.0%                                    | 7.7%          |
| Don't know                         | 0.0%                            | 0.0%  | 5.9%                                | 0.0%                              | 0.0%                               | 0.0%         | 0.0%      | 0.0%                          | 0.0%                               | 0.0%                                    | 0.0%          |
| Total number of respondents        | 18                              | 0   | 17                                  | 7                                 | 7                                  | 42           | 17        | 7                             | 51                                 | 20                                      | 78            |

|                                    | Mining and quarrying | Other services | Professional, scientific and technical activities | Public administration and defence; compulsory social security | Publishing, broadcasting, and content production and distribution activities | Real estate | Telecommunication, computer programming, consulting, computing infrastructure and other information service activities | Transportation and storage | Water supply, sewerage and waste management | Wholesale and retail trade (including motor repair) |
|------------------------------------|----------------------|----------------|---|---|--|-------------|--|----------------------------|---|---|
| Very optimistic                    | 0.0%                 | 1.6%           | 0.7%  | 0.0%  | 0.0%   | 0.0%        | 2.4%   | 9.1%                       | 0.0%  | 4.8%  |
| Quite optimistic                   | 66.7%                | 31.7%          | 26.6%   | 20.0%   | 0.0%   | 18.2%       | 38.1%  | 9.1%                       | 50.0%                                       | 9.5%  |
| Neither optimistic nor pessimistic | 33.3%                | 39.7%          | 44.1%   | 60.0%   | 45.5%  | 36.4%       | 40.5%  | 45.5%                      | 33.3%                                       | 23.8%   |
| Quite pessimistic                  | 0.0%                 | 22.2%          | 27.3%   | 20.0%   | 36.4%  | 22.7%       | 16.7%  | 27.3%                      | 16.7%                                       | 47.6%   |
| Very pessimistic                   | 0.0%                 | 3.2%           | 1.4%  | 0.0%  | 9.1%   | 22.7%       | 2.4%   | 9.1%                       | 0.0%  | 14.3%   |
| Don't know                         | 0.0%                 | 1.6%           | 0.0%  | 0.0%  | 9.1%   | 0.0%        | 0.0%   | 0.0%                       | 0.0%  | 0.0%  |
| Total number of respondents        | 3                    | 63             | 143   | 5   | 11   | 22          | 42   | 11                         | 6   | 21  |

### Objects of the Institute of Directors' Royal Charter



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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.

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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.

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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.

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