



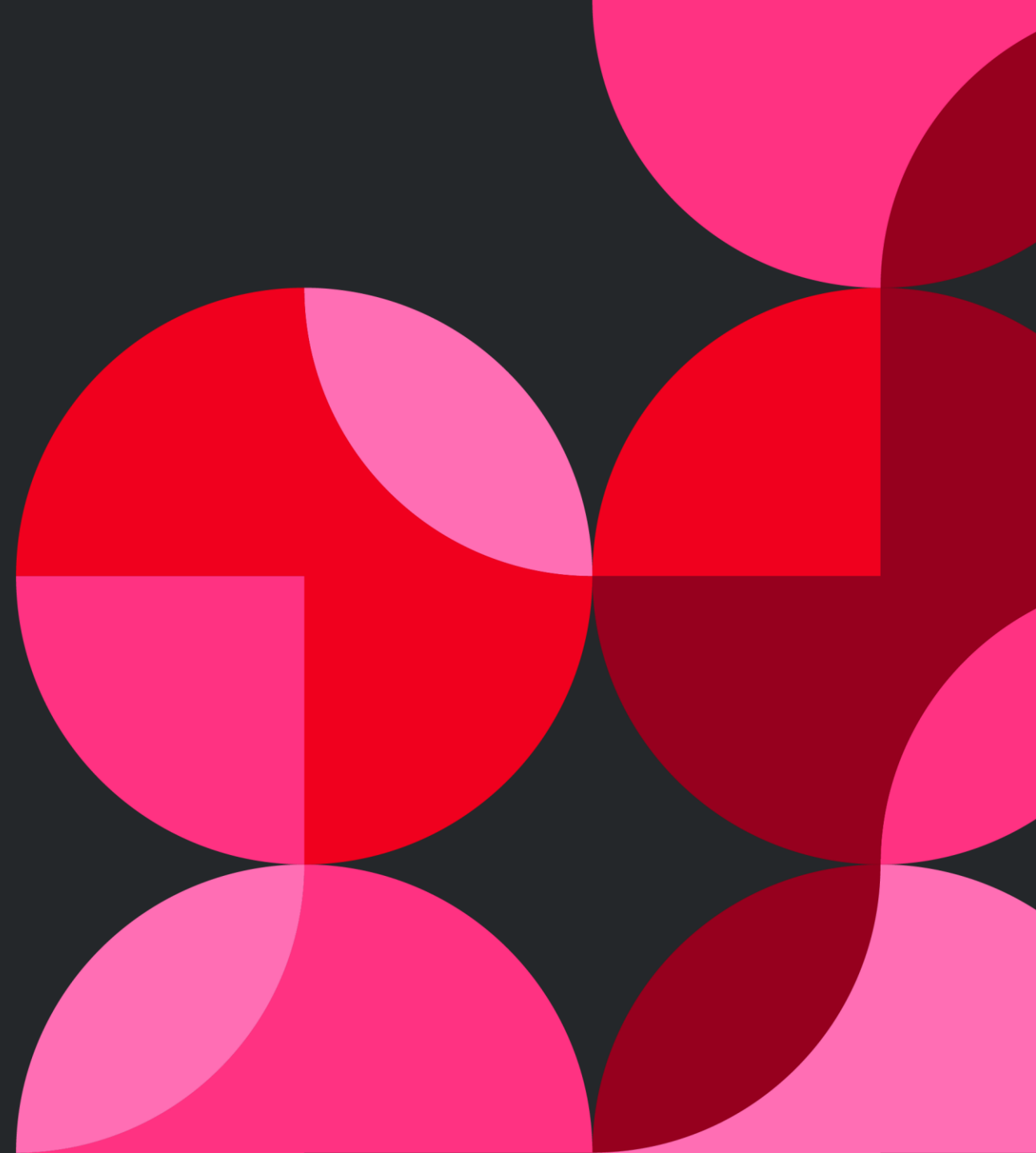
Policy Voice full survey results March 2024

Number of respondents: 687

Survey Dates: 15 – 27 March 2024



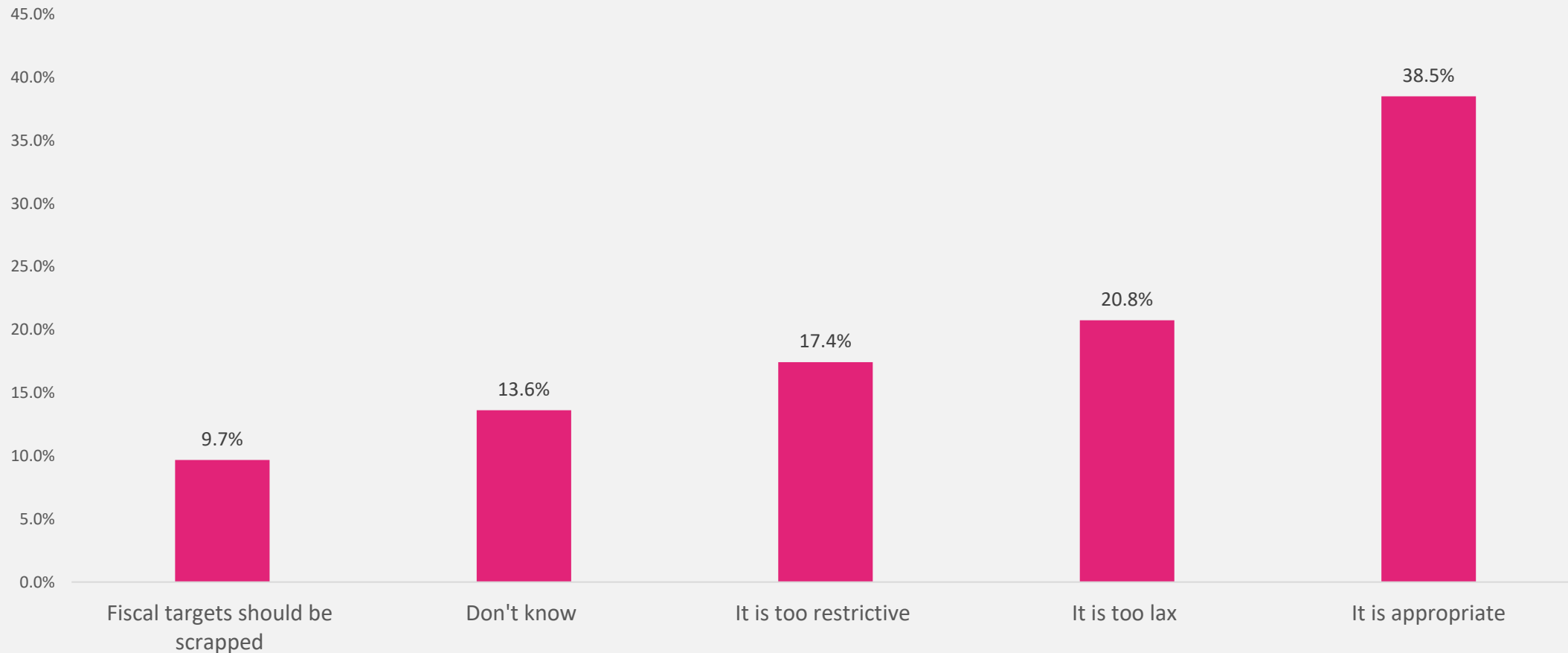
The Spring Budget 2024





In the Budget, the Chancellor presented a package of measures subject to the Government's current fiscal rule: that government debt should fall as a percentage of GDP in the final year of a five-year forecast period.

Which of the following best reflects your view of this fiscal target?





Though the majority of respondents saw the fiscal target as appropriate, in the further comments, members were critical of the policy, citing the following reasons:

Across the board, the main fear was the perceived “short-termism” of the policies.

“Fiscal targets encourage too much short-term thinking and a lack of long-term public sector investment.” – North West England, Professional, Scientific and Technical Activities, 250+ employees

“Too vague and only a point in time target - not a meaningful long term sustainable goal” – South East England, Transportation and storage, 250+ employees

Some members also had general doubt about the effectiveness of fiscal policy with a potential change of government on the horizon.

“With the election being so close, I am not sure how the fiscal targets will make any difference.” – East Midlands, Information and communication, 10-49 employees

“As the target is five years away, [it is] a political can, continually kicked down the road.” – International, Manufacturing, 250+ employees

Others were concerned about using OBR and Bank of England forecasts to set fiscal policy.

“As the OBR and BoE forecasts are so inaccurate, it seems that setting such restrictive fiscal rules on these at best “guesstimates” is counter productive” – South West England, Arts, entertainment and recreation, 2-9 employees

“The targets are rather meaningless being based on data that is too dynamic.” – South East England, Construction, 100-249 employees

“Sticking to OBR predictions is artificially limiting policy and investment at a time when more focus on growth is required” – South West England, Professional, scientific and technical activities, 10-49 employees

Relating to this, some members highlighted the need for external factors to be taken into consideration when setting fiscal targets, due to their known impact.

“Events should be part of the assessment of Fiscal targets and policy” – South East England, Real estate, 2-9 employees

“These targets are a little meaningless and subject to far too many other events outside of the UK's control.” – East of England, Professional, scientific and technical activities, 2-9 employees

Finally, members were also concerned about the length of the cycle, and the emphasis placed on the target being met in the final year.

“It is meaningless as the 5th year is always 5 years off and the target is updated every year.” – North West England, Transportation and Storage, 250+ employees

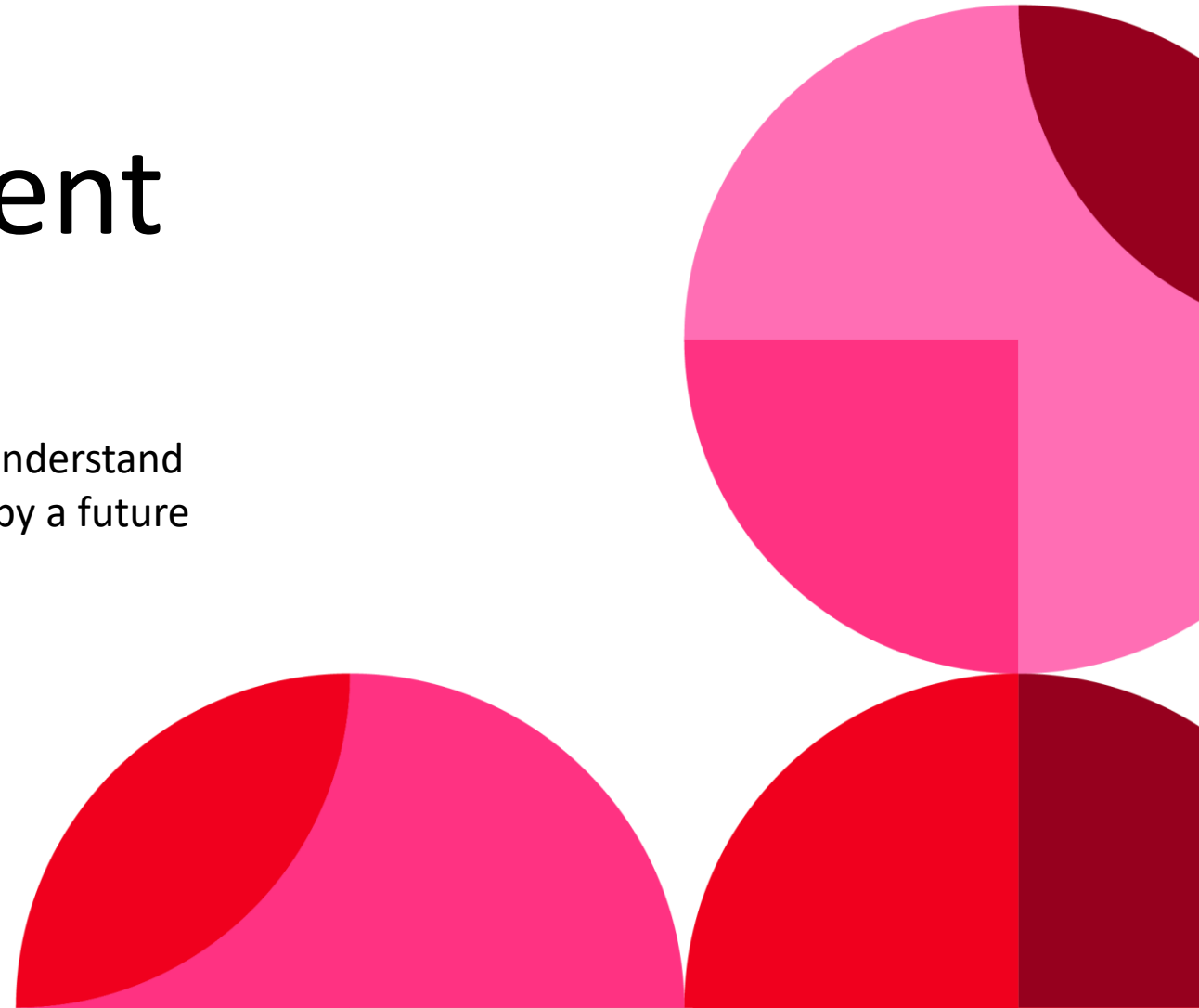
“If it only has to fall in the final year of 5, then there is no necessity for any financial discipline in the first 4” – Scotland, Other services, 2-9 employees

“it should fall, if necessary, in all years not only the final year” – South East England, Professional, scientific and technical activities, 0-1 employees/sole trader



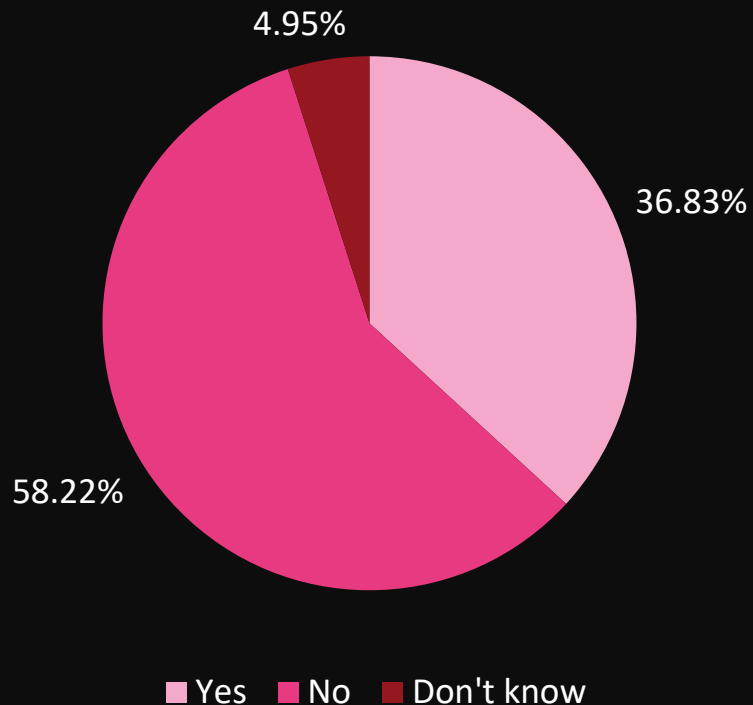
Proposed Employment Law Changes

With a General Election on the horizon, we would like to understand member views on some measures that might be adopted by a future Labour Government.



Several European countries have introduced a 'right to disconnect' for employees, restricting the ability of employers to contact staff outside of working hours.

Should a future UK government introduce a 'right to disconnect'?



Overall, members are largely unsupportive of the introduction of a 'right to disconnect' by a future UK government.

The general consensus is that whilst this is an issue employers should consider, it is not a matter for government. Members were keen to highlight that they do not want increased regulation in this space, and that it should be incorporated into individual contracts if deemed necessary.

"It's up to the individual business, not the government." – South East England, Agriculture, forestry and fishing, 0-1 employees/sole trader

"Companies should be considerate but we do not need yet more regulation much less, legislation." – London, Financial services, 250+ employees

"Responsible employers should manage this by internal policy respecting employees non-working time, but not be restricted by law." – West Midlands, Other services, 2-9 employees

"Employers should be encouraged to adopt policies which make sense for their employees, but we don't need more red tape." – South East England, Financial services, 2-9 employees

"This is entirely a matter for the employers and employees and any right (or not) should be covered in their employment contracts." – South West England, Professional, scientific and technical activities, 0-1 employees/sole trader

Members also noted that if it were introduced as law, or contractually, then there should be an opt in/out option.

"Companies could introduce an Opt in / out option if they need to have 24/7 contact with employees and they agree" – North East England, Other services, 10-40 employees

"This should be an opt-in with benefits - monetary and non-monetary" - East of England, Education, 0-1 employees/sole trader

"If a 'right to disconnect' were to be implemented then there should be an opt-in provision, i.e. that employees could choose to be contactable" – South East England, Professional, scientific and technical activities, 250+ employees



Members were also keen to highlight that a blanket law would not work for those working internationally.

“Ok in circumstances where employers and employees are based in the same country, but that is not always the case” – London, Other services, 250+ employees

“I think it rather depends on what your business is. We are often contacted by overseas clients outside office hours.” – London, Financial services, 50-99 employees

“It might be appropriate for lower level staff, but many senior managers are actively involved in the running of the business, which often crosses international time-zones. So, there shouldn't be any forced blanket views.” – West Midlands, Wholesale and retail trade (including motor repair), 10-49 employees

Those who were supportive of this proposal also expressed concerns at the suggested blanket approach, but noted there was a need for the issue to be addressed in general.

“I'm surprised that I've put 'yes' - I think in previous years I would have said no - but I see a lot of burnout and maybe it is time to regulate it. However, as a generalisation I am typically against this type of regulation.” – South East England, Other services, 2-9 employees

“I think there should be boundaries between work and personal time but a right to disconnect is too broadbrush to cover all scenarios.” – North East England, Electricity and/or gas supply, 10-49 employees

“Good to support those who find it difficult to stand up to pressure to be always on, but as it is essential in some roles it should be the employees' decision if they wish to allow contact, in agreement with employer and based on the role” – South East England, Professional, scientific and technical activities, 0-1 employees/sole trader

Overall, the vast majority of members expressed concern at this proposal. Many would like employers to still be able to contact their employees in exceptional circumstances and believe no contact could be detrimental to the functioning of businesses.

“This is about appropriate contact. In the event of a business critical matter it could be more damaging to the business not to be able to make contact. It is down to Employers to exercise restraint and only contact employees when it is necessary.” – East of England, Agriculture, forestry and finishing, 10-49 employees

“I think there should be provisions for contact in exceptional circumstances or if it relates to a critical work matter. The aim of this legislation should be to rebalance the culture of out of hours contact following the pandemic which resulted in an 'always on' culture developing.” – London, Financial services, 250+ employees



At present, employees access certain employment rights - such as sick pay, parental leave, and protection against certain types of unfair dismissal - only after a qualifying period.

Please indicate whether you believe a future UK government should expand 'day one' employment rights to include the following, thereby giving employees access to these rights from the first day of employment:

	Parental leave	Protection against all types of unfair dismissal	Sick pay
Yes	25.3%	40.8%	33.2%
No	70.9%	54.4%	63.3%
Don't know	3.8%	4.8%	3.5%

In the further comments, members expressed a number of concerns about giving employees access to these rights from day one.



Regarding unfair dismissal, members would like more protection around being able to let go of new recruits who aren't meeting expectations in their probationary period. Many members would also like there to be a clear, updated definition of 'dismissal'.

"What is meant by all types of unfair dismissal? During the initial period, the employee can be evaluated for suitability for the role, and if not successful, best for both parties the employee moves on after a "try-out" period." – South West England, Professional, scientific and technical activities, 2-9 employees

"Protection against all types of unfair dismissal should be available from day one BUT FIRST the definition of unfair dismissal needs to be radically overhauled." – South West England, Information and communication, 10-49 employees

"I suspect that as what constitutes "unfair" is very subjective, day 1 protection would make it impossible to get rid of staff within a probation period if there is a genuine problem" – South East England, Construction, 10-49 employees

Members also believe this is an issue for individual employers to navigate, not for the government to legislate.

"It should be up to the employers to determine employee rights and if they want to attract the right people they will put a package together which achieves this, If they don't employees have the right to leave or take industrial action. Governments should stay out of [it]" – North West England, Information and communication, 10-49 employees

"If the government wants to improve growth, it needs to start reducing the burden of legislation, not increasing it. Small companies would stop employing if this happens." – East of England, Professional, scientific and technical activities, 2-9 employees

"We need policies to encourage taking on workers, not putting us off doing so for fear of mistakes." – North East England, Financial services, 2-9 employees

With regards to both sick pay and parental leave, members are either concerned about the potential abuse of the benefit, or they would like the opportunity for new employees to disclose any relevant information in the hiring process so that they can prepare for their absence and the cost.

“Unfortunately, day one employment rights are easily exploited by mal-actors who can move from one company to another invoking these benefits/protections without ever actually doing any work. A qualifying period at least gives the employer some protection against this.” – South East England, Professional, scientific and technical activities, 250+ employees

“Employee tourism is a major concern” – South East England, Manufacturing, 100-249 employees

“Whilst I don't disagree with these changes in principle, in practice it is very easy to see how these rights could be abused. It will also lead to more 'temporary' jobs with less security for the employee in the long run.” – North West England, Manufacturing, 250+ employees

“Parental leave if declared at interview the expected timing of a child is fine. Employers call to employ them.” – London, Financial services, 2-9 employees

“Provided all issues are fully disclosed at time of recruitment.” – South East England, Professional, scientific and technical activities, 0-1 employees/sole trader

“There should be caveats on this in terms of declaring health issues, parental responsibilities and employment history upfront” – Scotland, Water supply, sewerage and waste management, 250+ employees



Members also highlighted the burden this policy could place on small businesses.

“However, small businesses will need support when they lose key staff due to any of the above & protocols are needed to ensure requests for leave are legitimate (as far as possible)” – South East England, Professional, scientific and technical activities, 2-9 employees

“It would be exploited far too easily and place immense burden on small businesses” – East Midlands, Manufacturing, 100-249 employees.

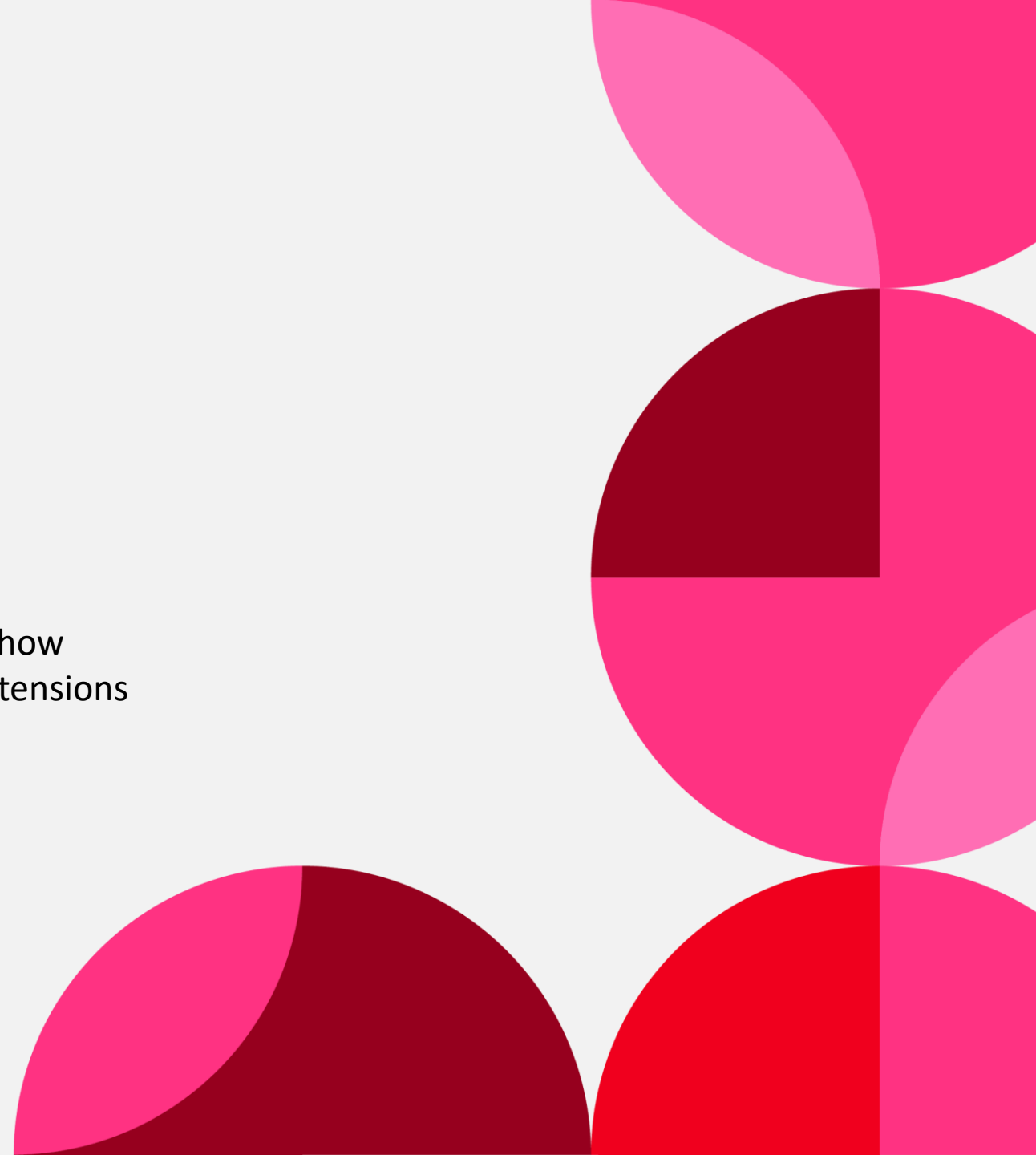
“I do not believe that the government considers the impact to SME's when proposing these policies. We are not all large corporations that can soak up staff absences and continue to function effectively.” – West Midlands, Other services, 2-9 employees

“If the government wants to improve growth, it needs to start reducing the burden of legislation, not increasing it. Small companies would stop employing if this happens.” – East of England, Professional, scientific and technical activities, 2-9 employees.



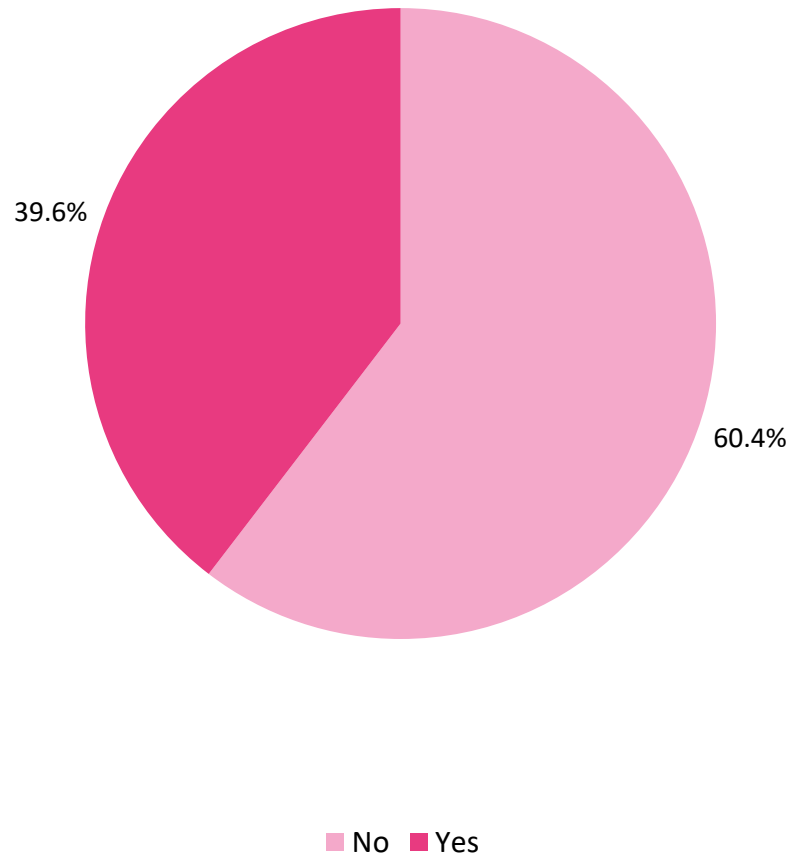
Sourcing Supply

Data from this question will contribute to our research on how global supply chains are shifting in the face of geopolitical tensions

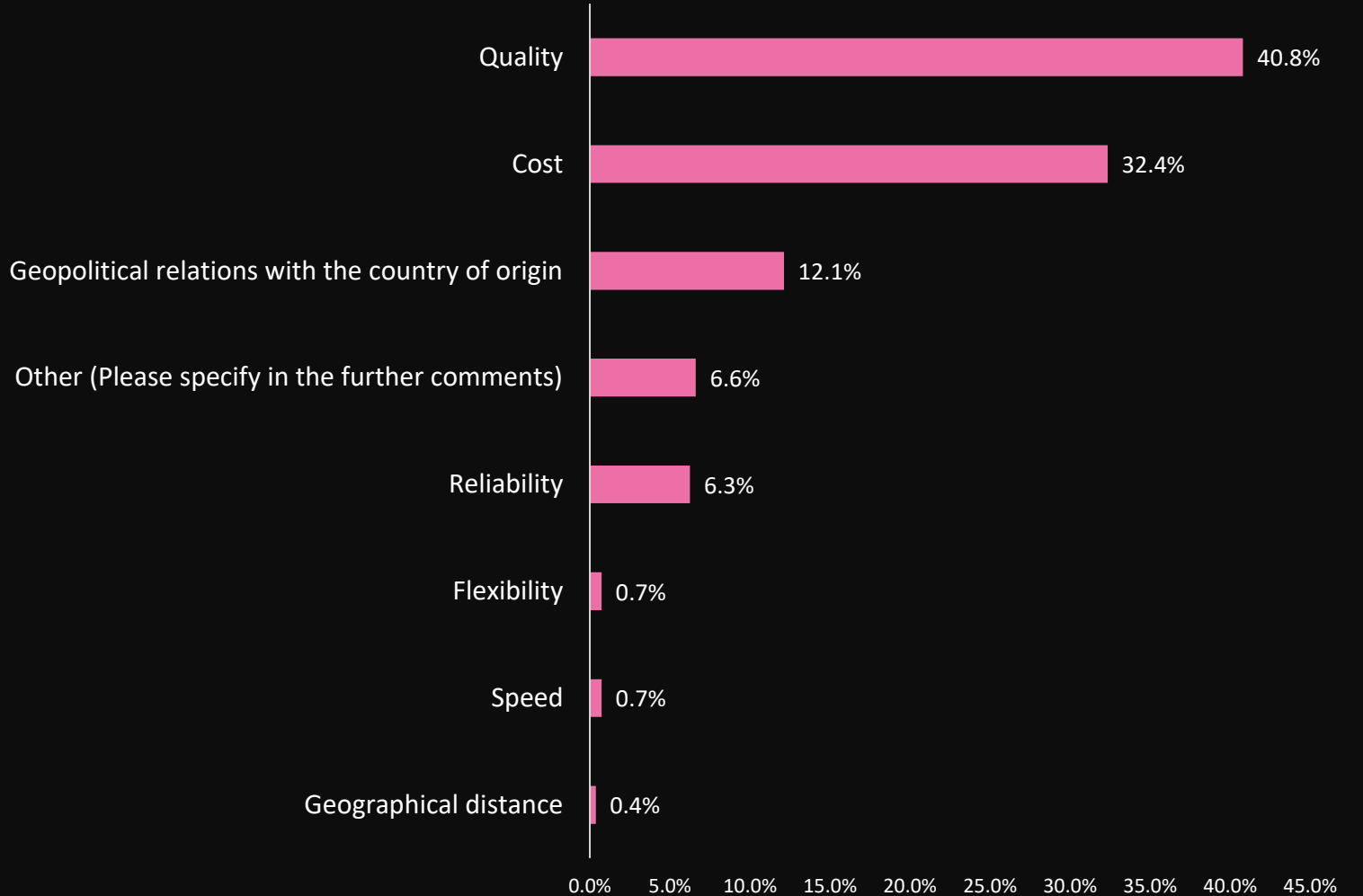




Does your organisation import goods and/or services from outside the UK?



When selecting a new international supplier, how important are the following factors in influencing your decision?





While the data shows that ‘cost’ and ‘quality’ are ultimately the most important factors businesses look for in a new supplier, the further comments also highlight broader priorities.

For example, trust and integrity were raised by numerous members considering how the ESG profile and ethical practices of a supplier would impact business relations.

There was a focus on geopolitical relations in the qualitative evidence, indicative of how global politics is creeping up the policy agenda in the face of Russia’s invasion of Ukraine and US-Chinese tensions.

For example, one member said: *“we are working to remove China from our supply chain. This is to protect our IP”. (10-49 employees, professional, scientific and technical activities, North West England)*

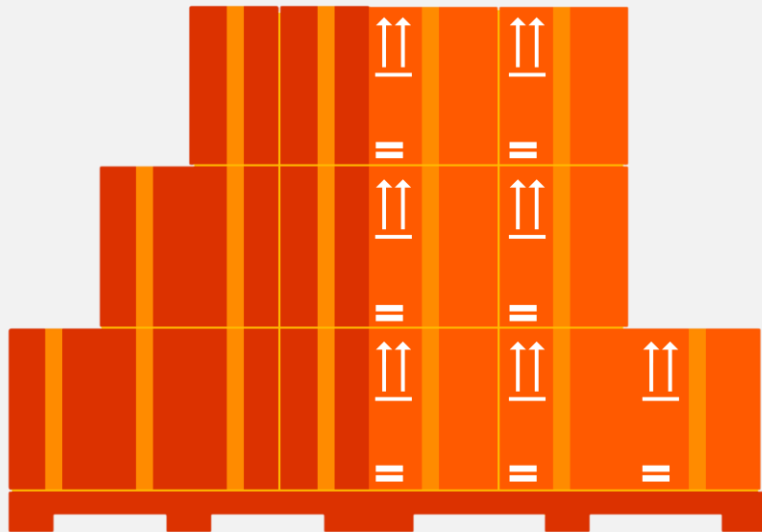
Other companies also commented on the importance of data risk:

“Language barriers, technology infrastructure, on hand quality assurance, product design and development capabilities, competitors using the same facility and risk of IP leak.” (10-49 employees, wholesale and retail trade, West Midlands)

Furthermore, many businesses still feel hampered by post-Brexit complications:

“Prior to Brexit we imported raw materials and products from the EU, it is now inefficient to do so, but we are now restricted by the availability of UK products”. (2-9 employees, other services, West Midlands)

“We used to (import) but we have now given up. Brexit made it difficult”. (10-49 employees, electricity and/or gas supply, Scotland)



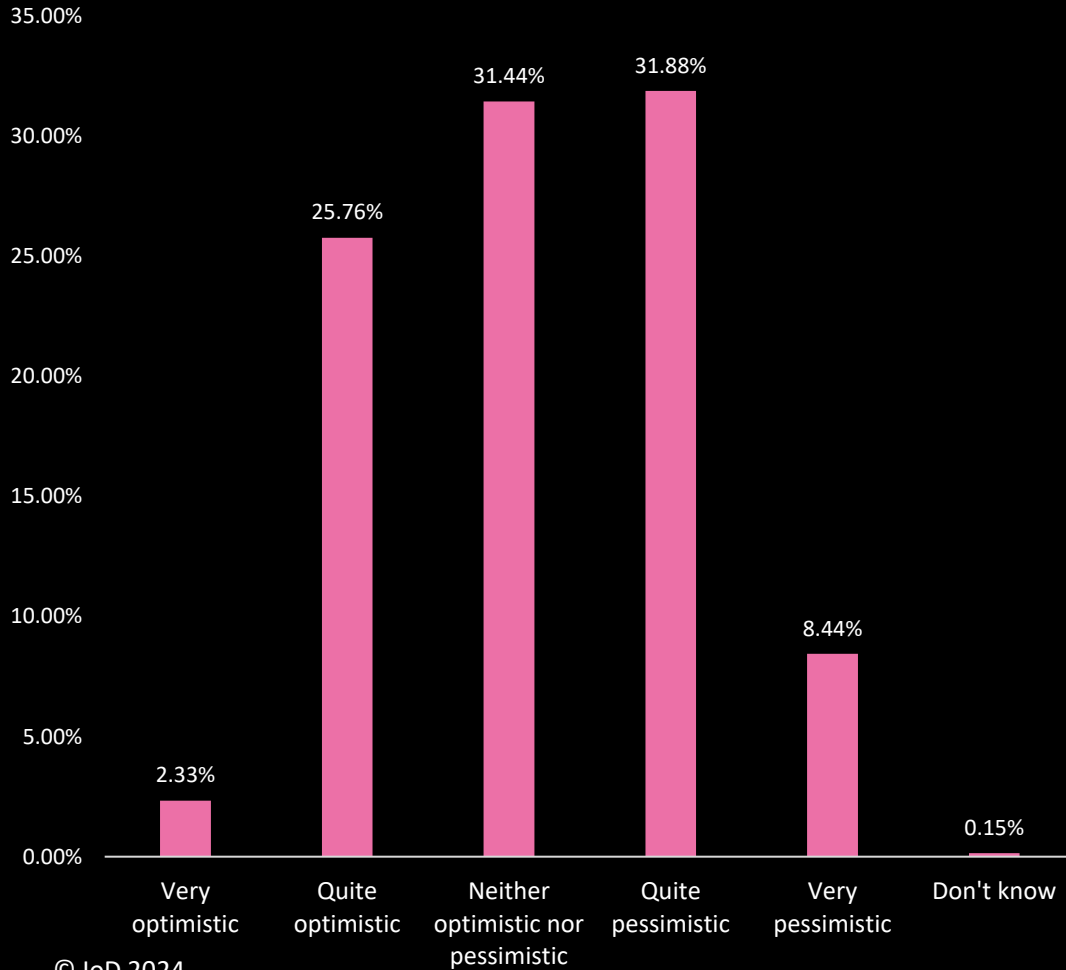
Economic Monitoring: Data

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

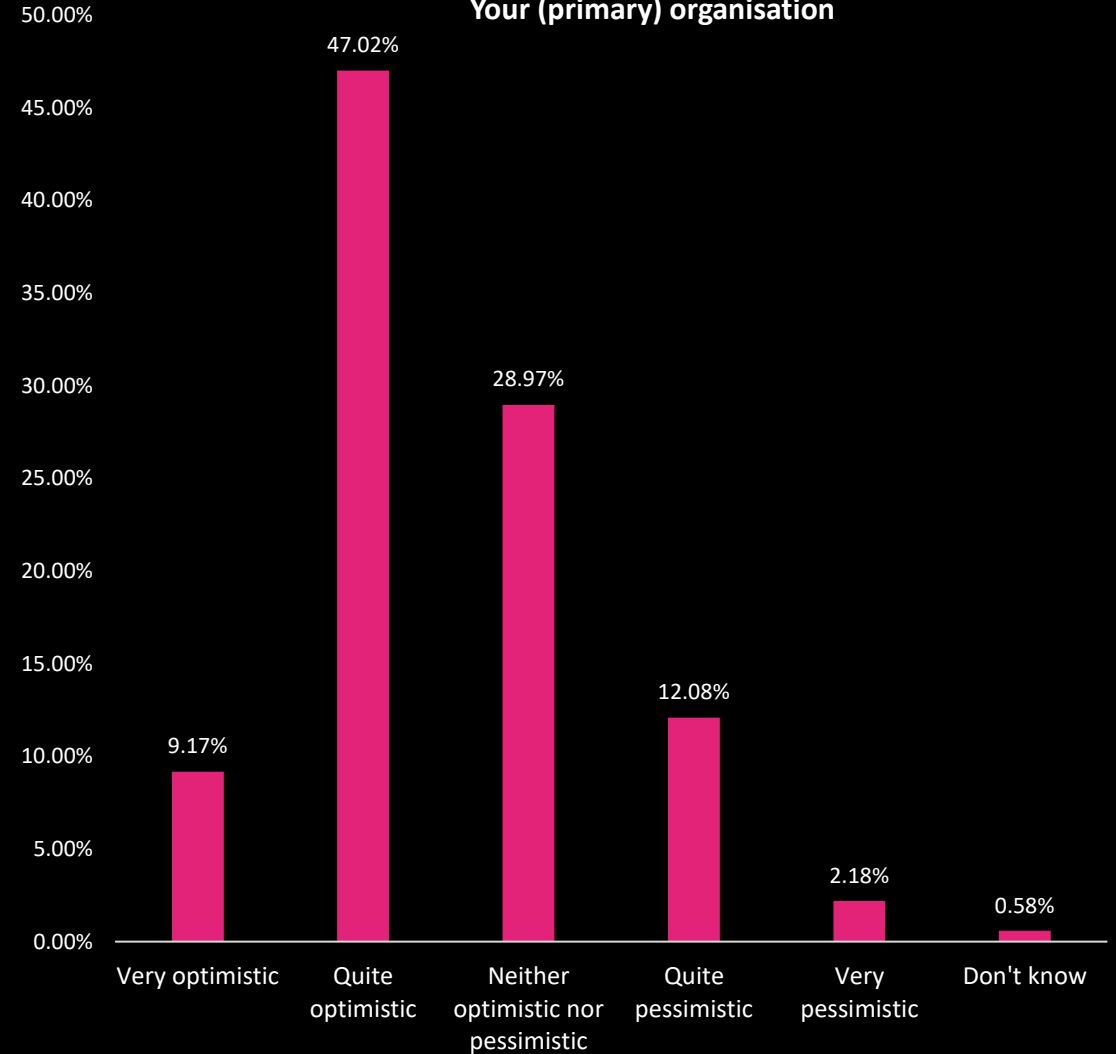


How optimistic are you about both the wider UK economy and also your organisation over the next 12 months?

Wider UK economy



Your (primary) organisation





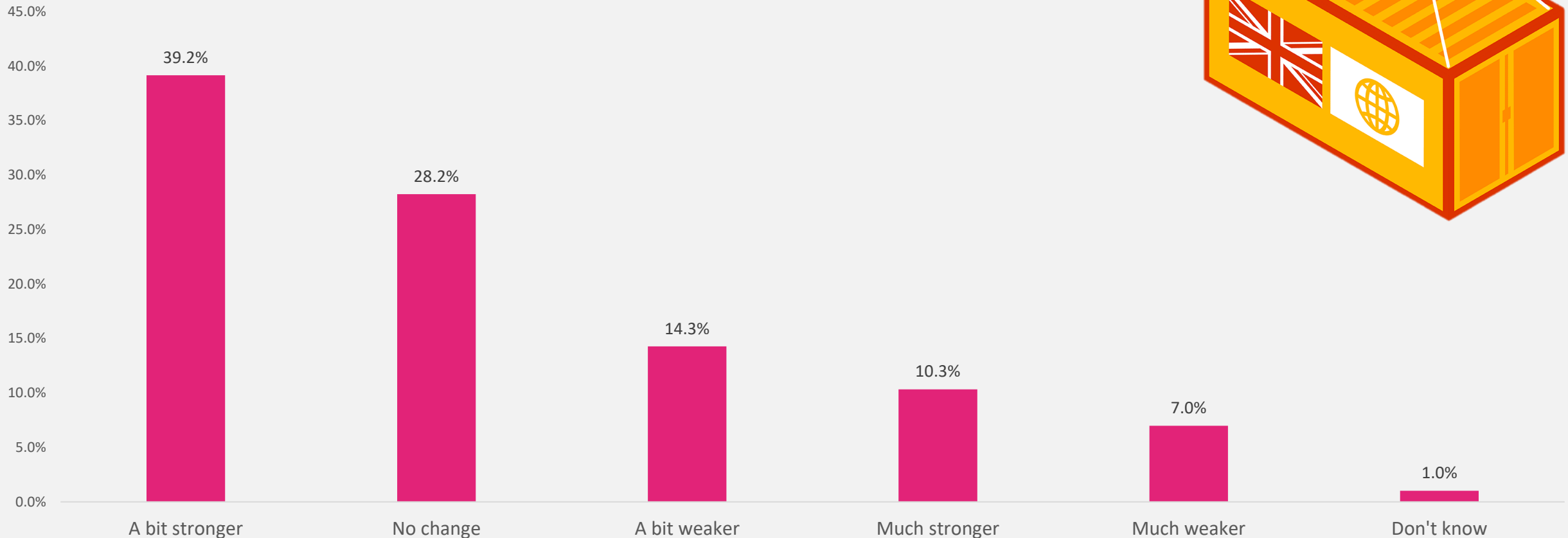
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of:

Row Labels	Business investment	Costs	Exports	Headcount	Revenue	Wages
Much higher	4.2%	13.0%	2.9%	1.6%	7.1%	4.1%
Somewhat higher	33.2%	65.8%	18.6%	32.8%	53.7%	56.3%
No change	40.3%	15.6%	29.5%	49.1%	20.2%	32.5%
Somewhat lower	13.4%	3.8%	3.3%	11.9%	12.4%	3.9%
Much lower	6.3%	0.4%	1.9%	2.9%	4.4%	1.3%
Don't know	2.0%	1.0%	43.1%	1.5%	1.5%	1.7%
N/A	0.6%	0.4%	0.6%	0.3%	0.7%	0.1%

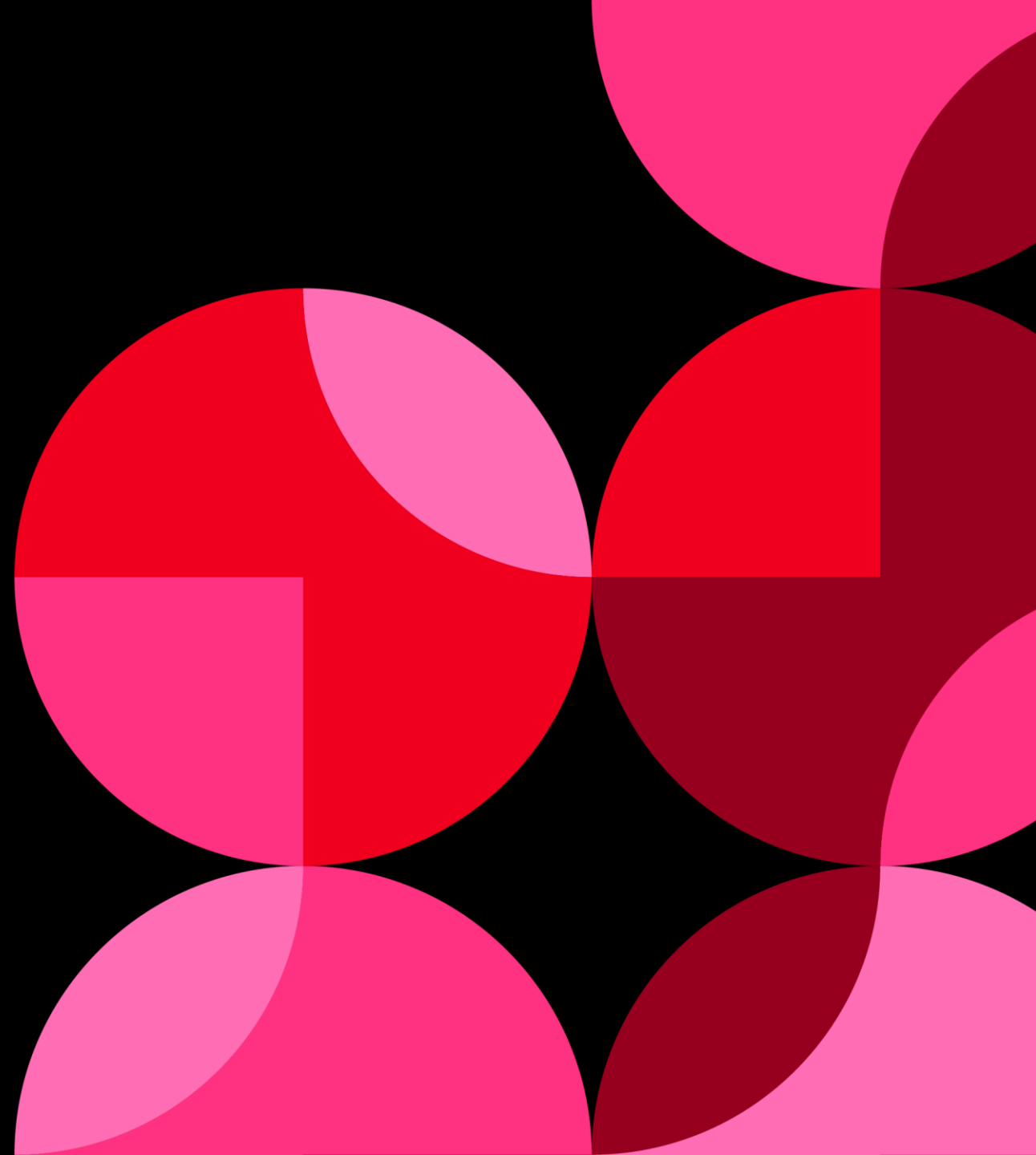


This question is about how demand for your organisation's product or services has changed in the last three months; that is, since the end of last year. You might think of this as your order book, your work pipeline, sales volumes or the level of activity.

Do you think demand for your organisation's products or services has got stronger or weaker in the last three months, or has there been no change?



Economic Monitoring: Trends





Tentative signs of economic green shoots as business confidence rises

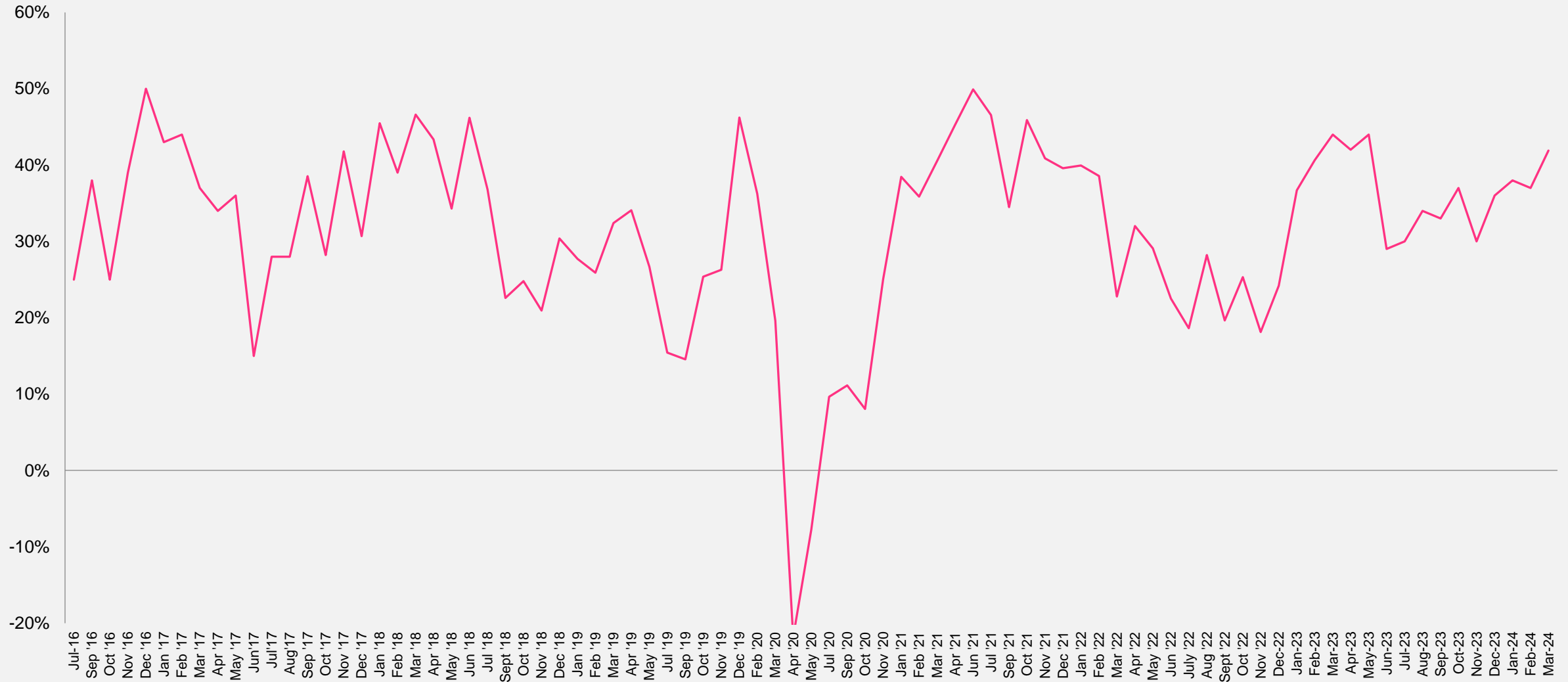




Confidence in own firm's prospects continues upward trajectory in March

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

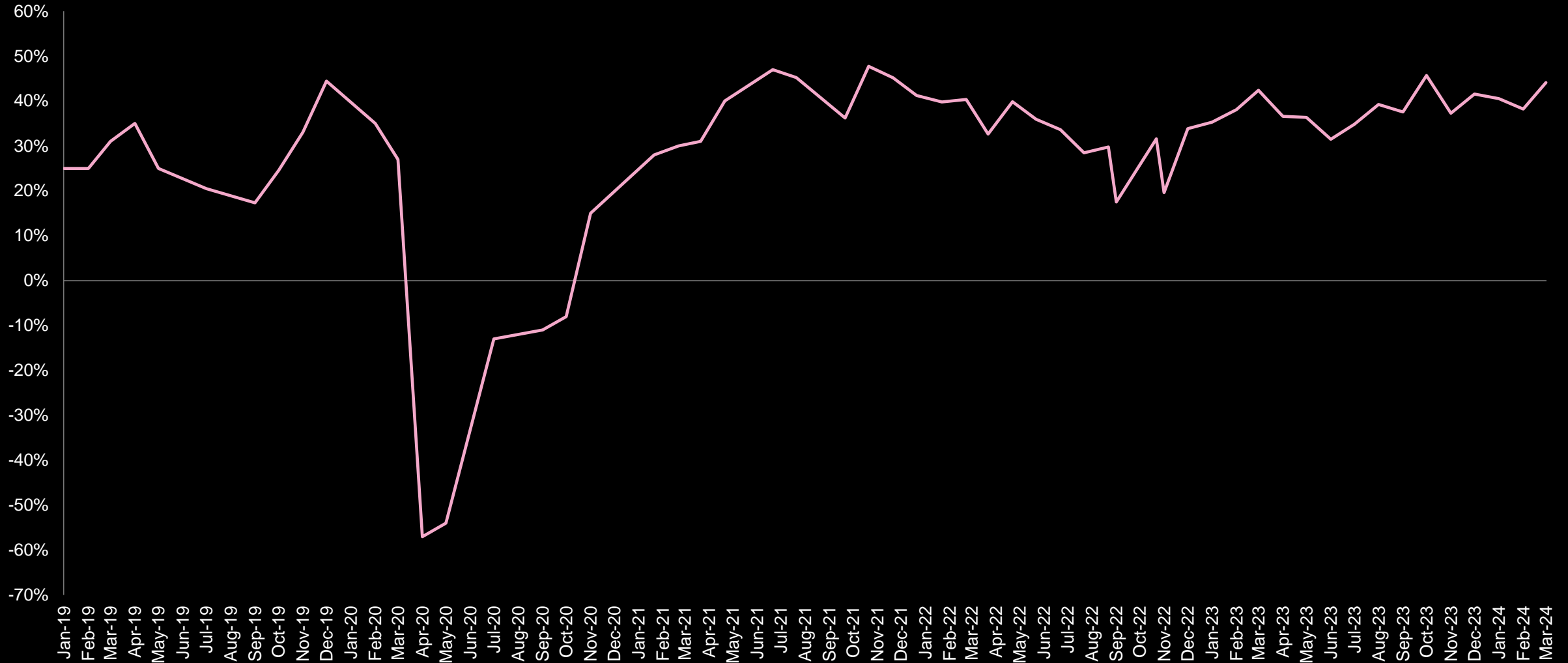
5-point scale from very optimistic to very pessimistic, net optimistic % Source: IoD monthly Policy Voice surveys





Net revenue expectations remain consistent

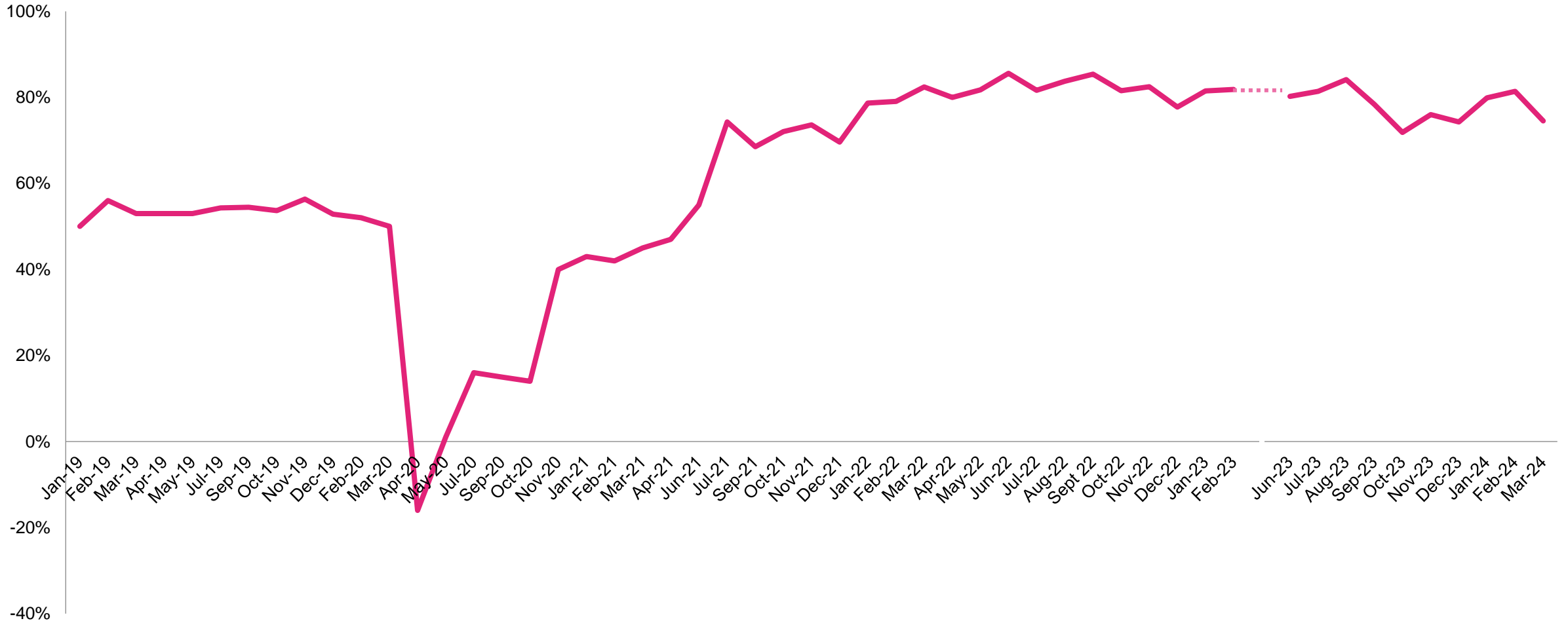
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: REVENUE.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





Cost pressures fall slightly in March

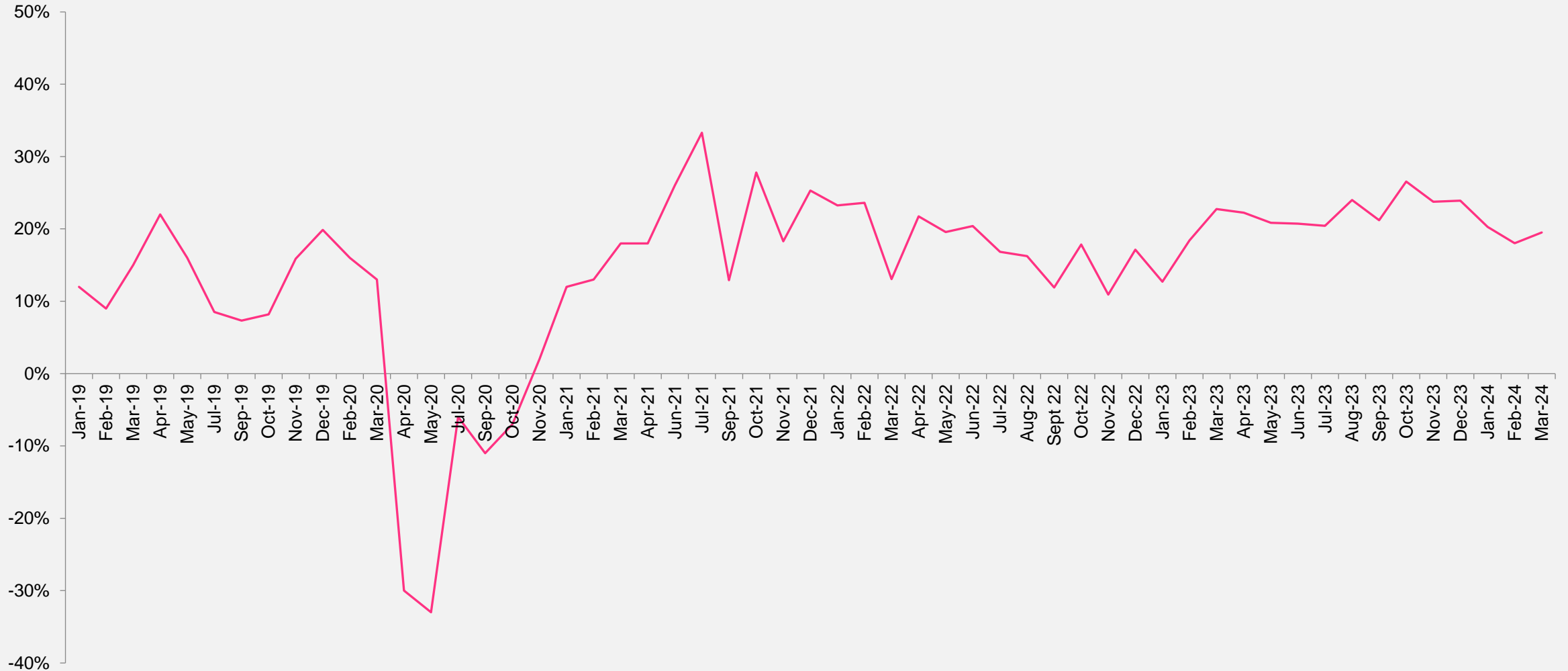
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: COSTS.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





Headcount expectations pick up in March

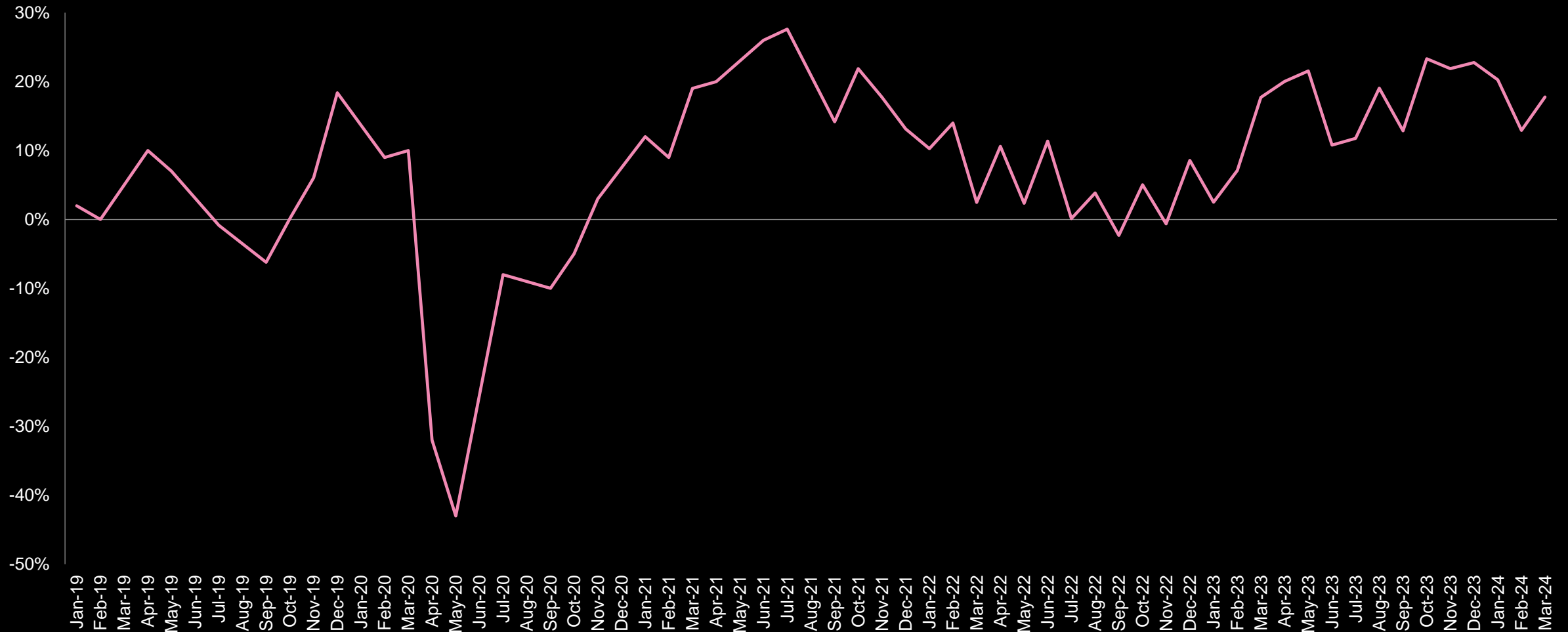
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: HEADCOUNT.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





Investment intentions continue month-on-month volatility

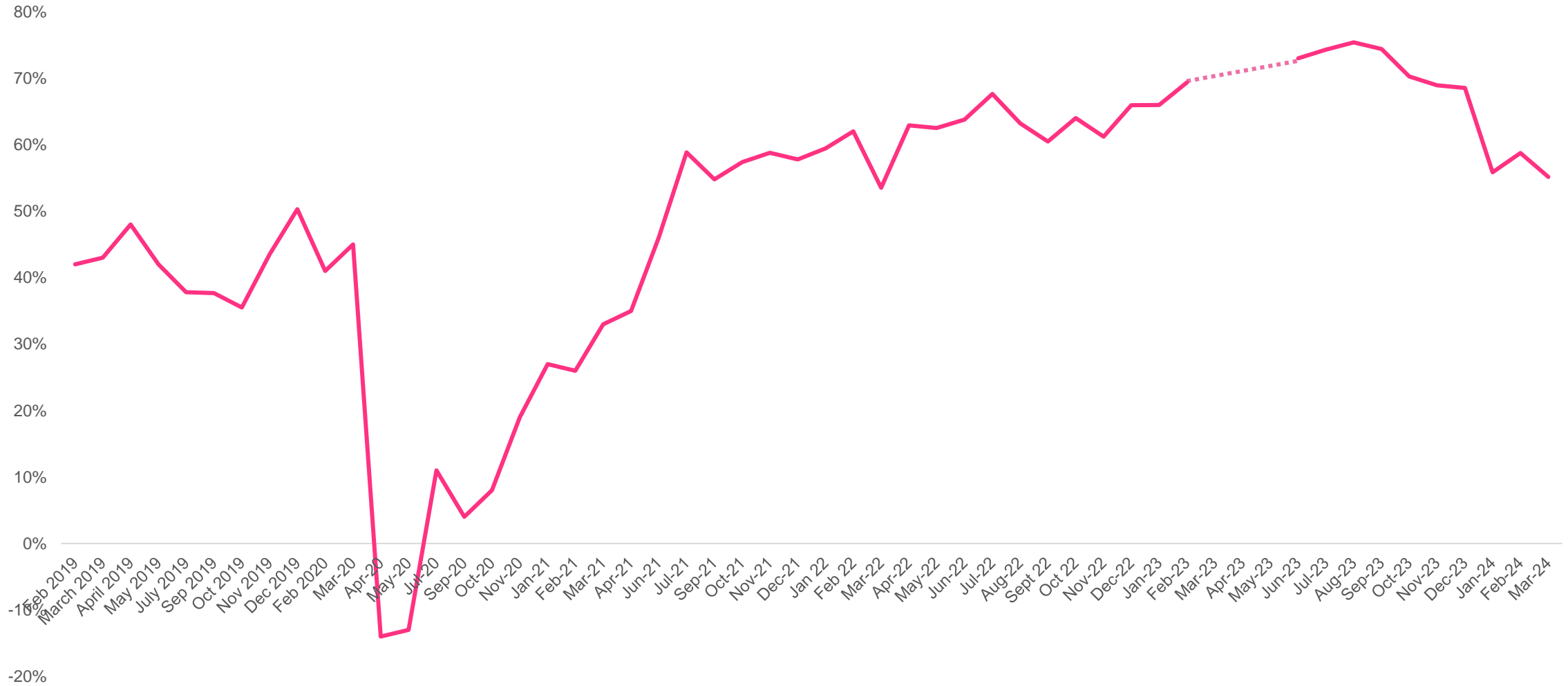
Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: INVESTMENT.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys





Wage cost pressures fall slightly

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

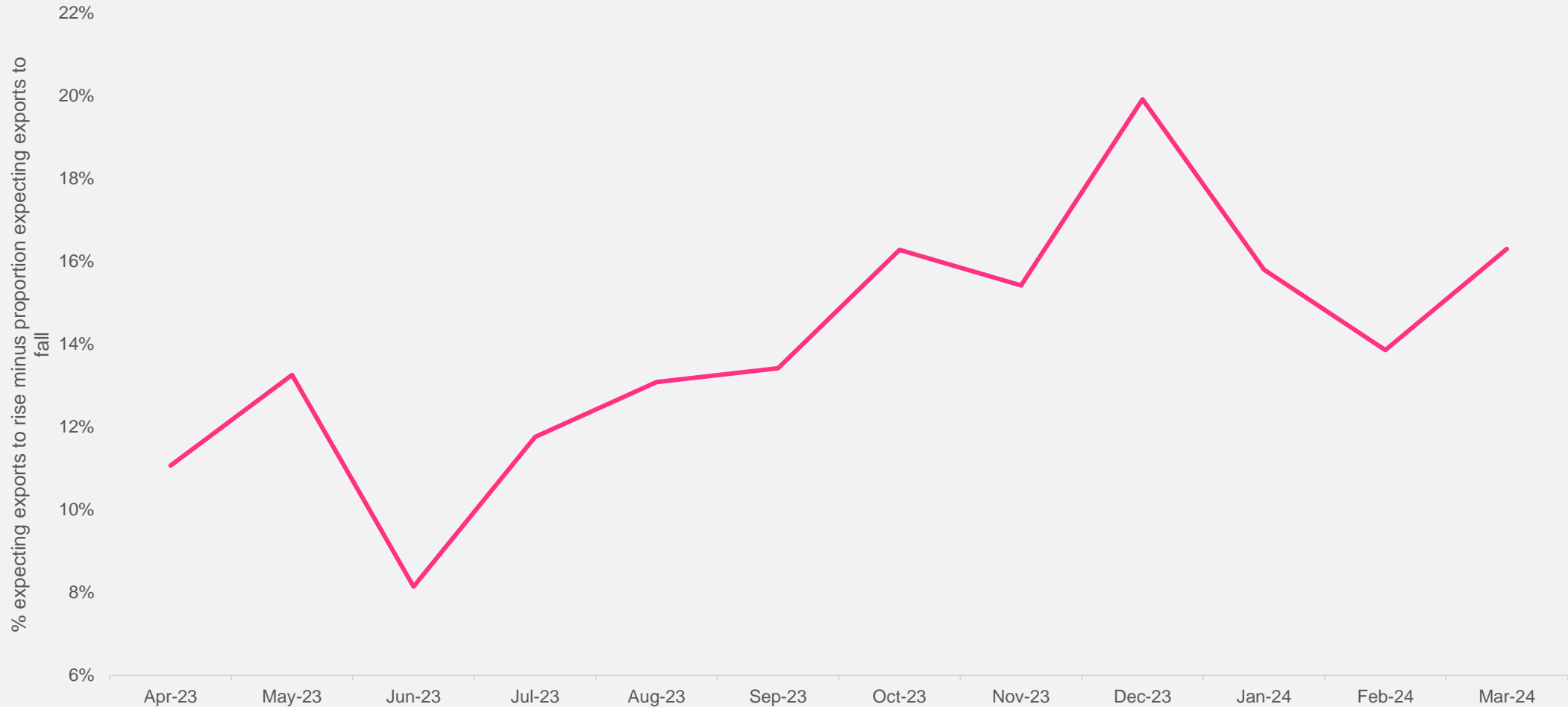


..... = question not asked



Export expectations are on the rise in March

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.



Our purpose

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