IoD Wales
Sefydliad y cyfarwyddwyr

State of the Nation
Survey 2024

Foreword

"

I wanted to take this opportunity to thank those who completed the survey and continue to let us know the areas of key importance to Welsh businesses in 2025.

It is my pleasure, as chair of IoD Wales, to announce the publication of our first ever State of the Nation for Wales. I truly believe that the State of the Nation report comes at a critical juncture for Wales, in the wake of the UK Budget 2024 and ahead of the 2026 Senedd Elections.

Our 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 Welsh and UK Governments. The topics we have selected this year have been chosen after close consultation with our membership in Wales and what they tell us at our events, policy committees and other forums.

The IoD Wales State of the Nation report will be produced yearly as a health check on the Welsh economy, to allow us to benchmark around key trends and topics that emerge each year.

I wanted to take this opportunity to thank those who completed the survey and continue to let us know the areas of key importance to Welsh businesses in 2025.

I look forward to discussing the results with you all in the weeks and months ahead.

Richard Selby
Chair, IoD Wales

Background

The ongoing analysis of the results of this survey will enable us to ensure that through our consultations, events and engagements we are responding to and reflecting the key policy issues for our Welsh members.

The State of the Nation Survey was open to responses from members of the Institute of Directors in Wales from 1 September until 4 October 2024. The survey took place ahead of the UK Budget 2024.

IoD Wales 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 shared give us a clear steer on the key issues, and we now want to think about how we use this information to feed this insight and experience to policy and decision makers at Welsh and UK level.
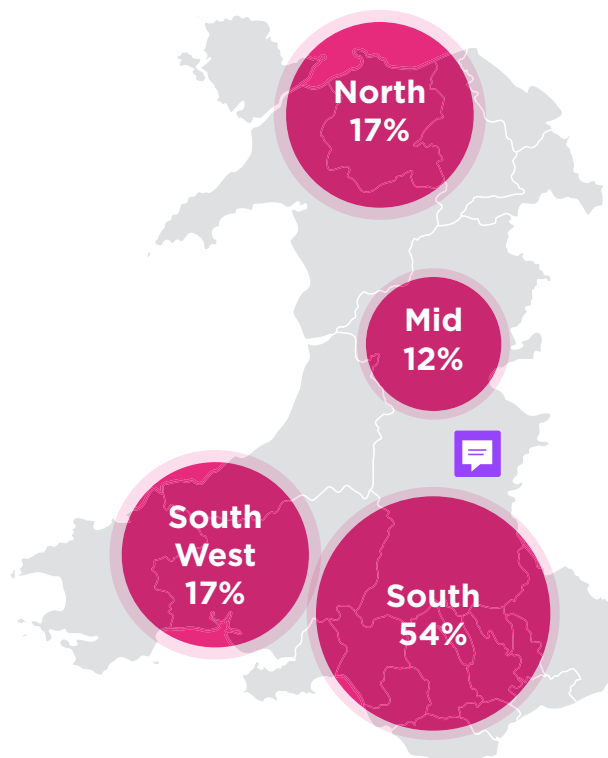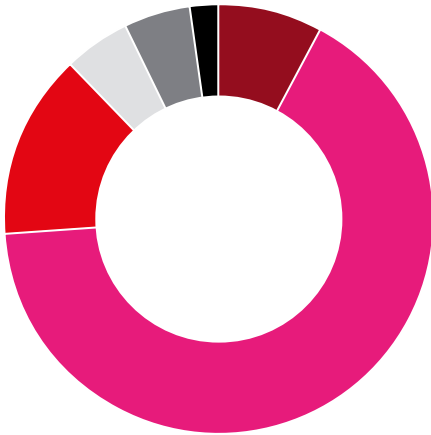
93%

of respondents were full IoD members

7%

of respondents were Associates
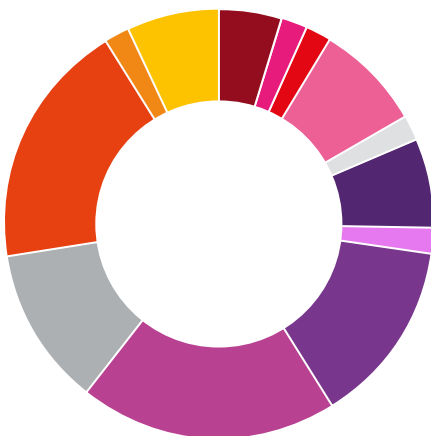
Which IoD Wales branch are you a member of?

North
17%

Mid
12%

South
West
17%

South
54%

Role/positions

Response	%
Chair	8
Chief Executive/Managing Director	66
Other Director/Board Member	14
Sales/Marketing/Communications Director	5
Senior Manager	5
Sole Trader	2

Sector

Response	%
Accommodation and support service activities	5
Arts, entertainment and recreation	2
Construction	2
Education	8
Electricity, gas, steam and air conditioning supply	2
Financial and insurance activitives	7
Human health and social work activities	2
Information and communication	14
Manufacturing	20
Other service activities	12
Professional, scientific and technical activities	19
Real estate activities	2
Wholesale and retail trade; repair of motor vehicles and motorcycles	7

People and skills

In terms of skilled people in our respondents' sector, the picture was mixed. 53% felt they did not have the right number of skilled people for the current jobs and 47% felt that they did.

We also asked respondents if they felt confident they would be able to recruit for vacancies in the upcoming year. 44% said they were not confident they would be able to and 41% said they were confident.

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

Response	%
● Yes	47
● No	53

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?
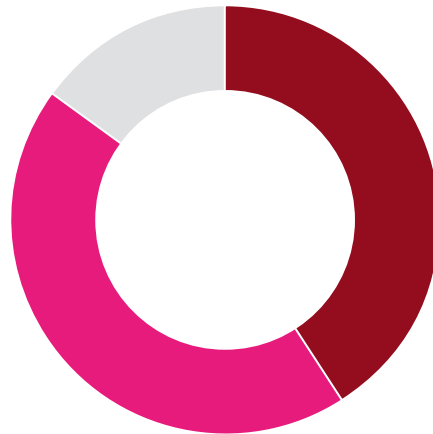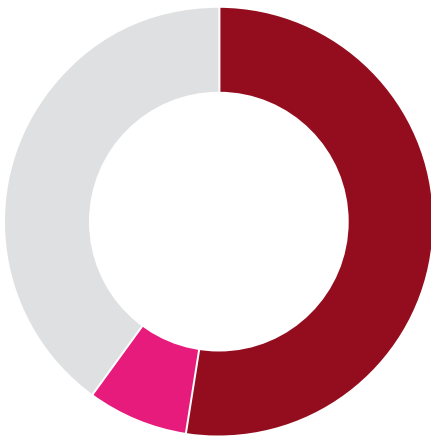
Response	%
● Yes	41
● No	44
● Don't know	15

Investment in employee skills

Over half of respondents said that investing in employee skills and long term development was a high priority for their business (58%), 34% said that it was somewhat of a priority and only 8% said that it was not a priority.

Apprenticeships/Workplace training schemes

We asked our respondents about apprenticeships and workplace training schemes, and if their organisation utilised any of these. 19% utilised apprenticeships, 17% utilised workplace training schemes, 22% used a combination of both and 42% did not use either of these.

How much does your organisation prioritise investment in employee skills relative to other organisational priorities?

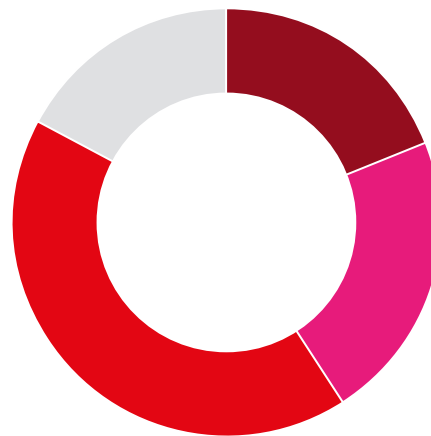**Does your primary organisation employ apprentices or support a workplace training scheme?**

Response	%
● It is a high priority	58
● It is not a priority	8
○ It is somewhat of a priority	34

Response	%
● Apprenticeships	19
● Both	22
● Neither	42
○ Workplace training scheme	17

Respondents' feedback cited that "there are no apprenticeships available that are relevant to our business needs", others also said that "we do not know enough about the scheme and nobody has communicated the benefits of it to us".
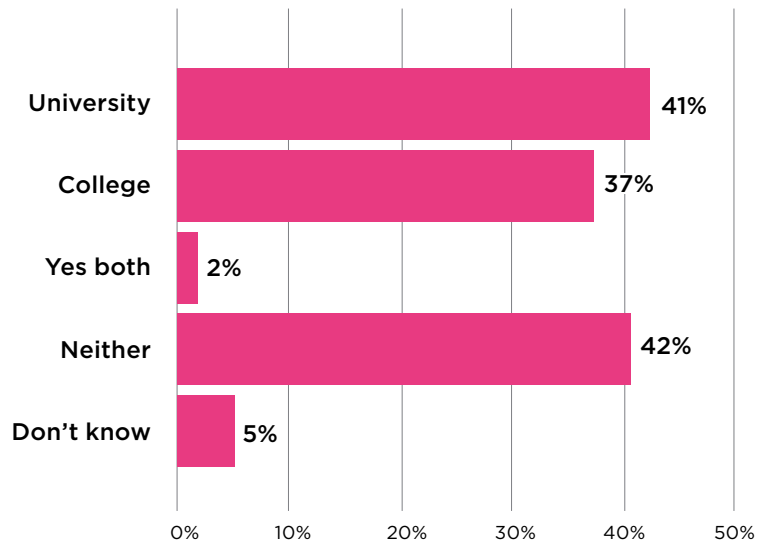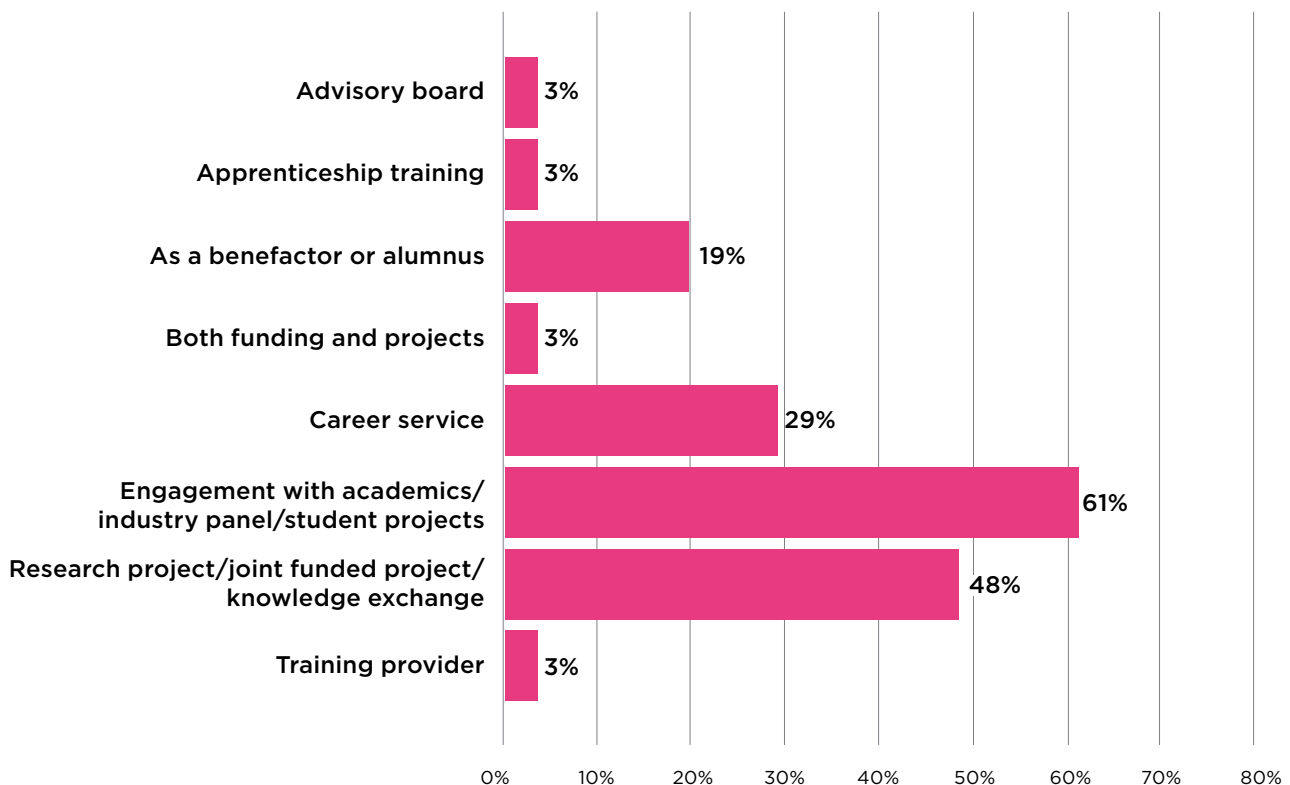
Universities and colleges

On the topic of University/ College engagement, the picture for Welsh business was mixed. 37% of respondents had engaged with Colleges, with 41% engaging with Universities across Wales.

The main mechanisms of engagement with these institutions were with academics and industry experts, such as Knowledge Transfer Partnerships, with 61% of respondents utilising these services. In addition, 49% had research projects together with academics/students, 29% utilised career services support and 19% engaged on the basis of being alumni and a benefactor.

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

University	41%
College	37%
Yes both	2%
Neither	42%
Don't know	5%

You said your organisation does engage with your local university and/or college. In what capacity?

|	
Advisory board	3%
Apprenticeship training	3%
As a benefactor or alumnus	19%
Both funding and projects	3%
Career service	29%
Engagement with academics/ industry panel/student projects	61%
Research project/joint funded project/ knowledge exchange	48%
Training provider	3%

Graduates

Building on from the engagement with Universities and Colleges, 51% of our members employed graduates and 46% did not employ any and 3% were unsure if they did or not.

Turning towards expectations of the graduates within employment, a strong majority of 79% of respondents said that the graduates met expectations, 11% said that they did not and the remaining 10% were unsure. The key reasons cited for the 11% that said they did not meet expectations was around lack of skills and lack of workforce readiness.

**Does your primary organisation employ recent graduates?**

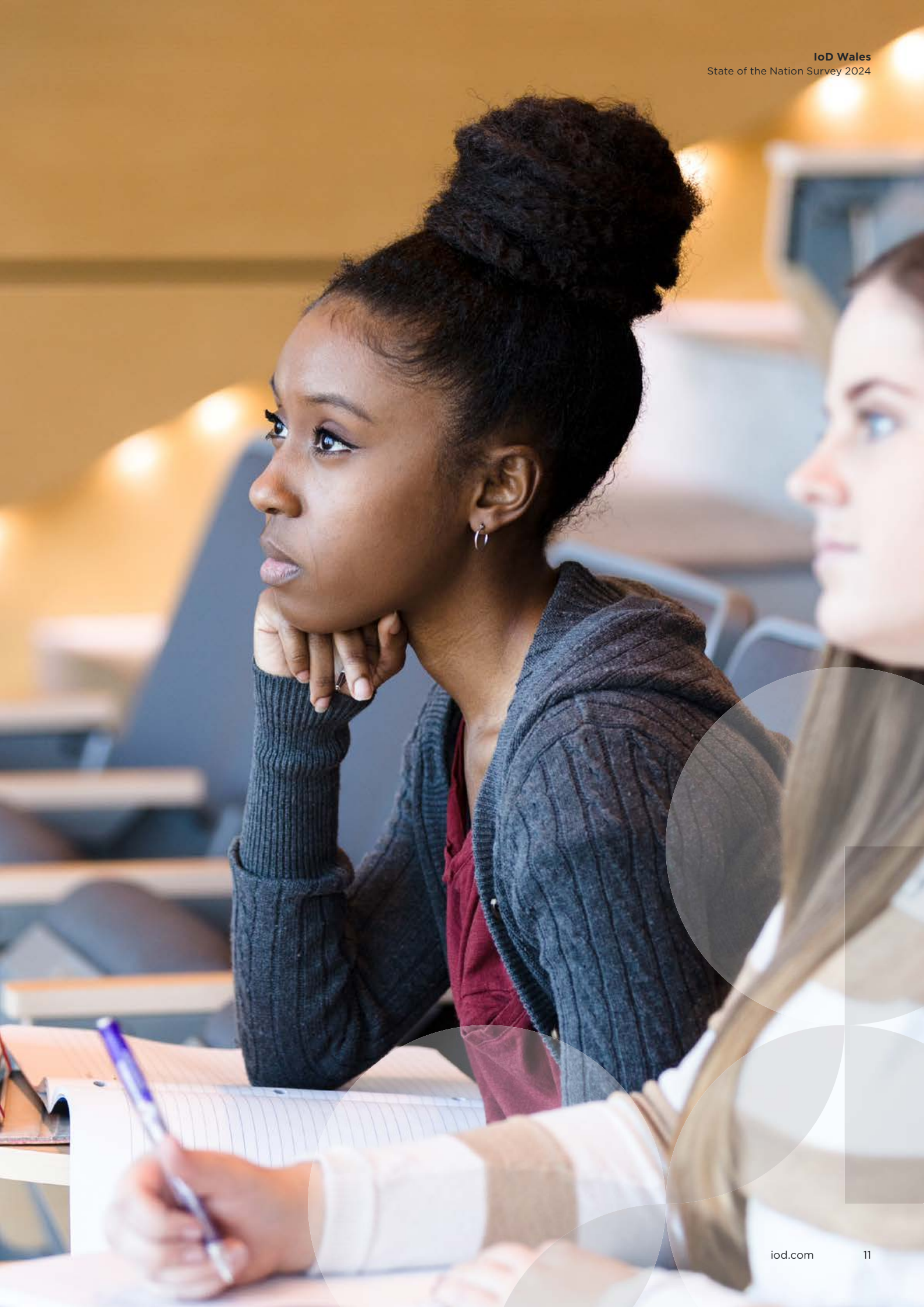**You said your organisation does employ recent graduates. Have they met your expectations?**
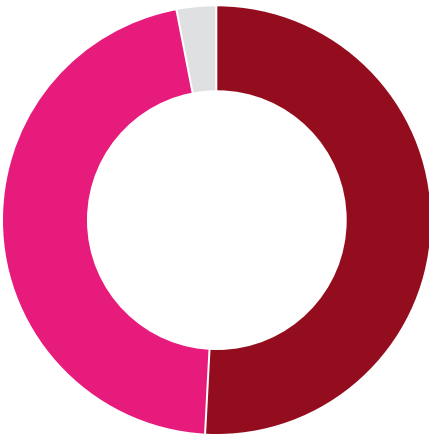
Response	%
● Yes	51
● No	46
● Don't know	3
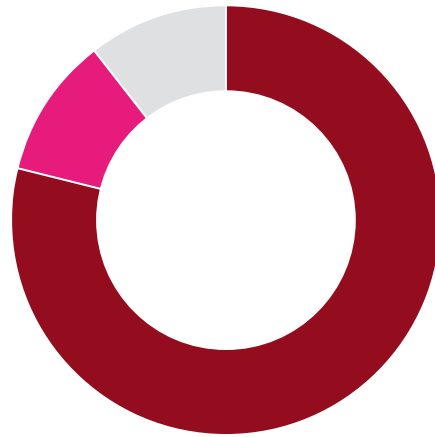
Response	%
● Yes	79
● No	10.5
● Don't know	10.5

Why have they not met your expectations? Please select any of the following that apply.

| Category	%
Lack of experience of corporate culture	33%
Lack of relevant skills	67%
Lack of workforce readiness	67%
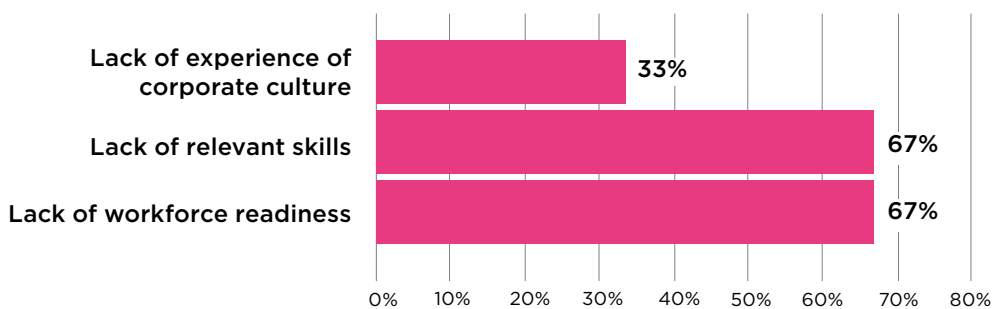
Artificial Intelligence

The topic of AI is another area we were keen to get insights from our members on and how they were utilising it in the workforce. 59% of our members were not using AI and 37% were using AI.

We also asked respondents around the opportunities or threat that AI posed to their organisation. A majority of respondents (54%) felt that AI was an opportunity for them, 36% felt it was a combination of opportunity and threat, with 7% feeling neither a threat nor an opportunity.

Is your primary organisation using AI in any of its processes?
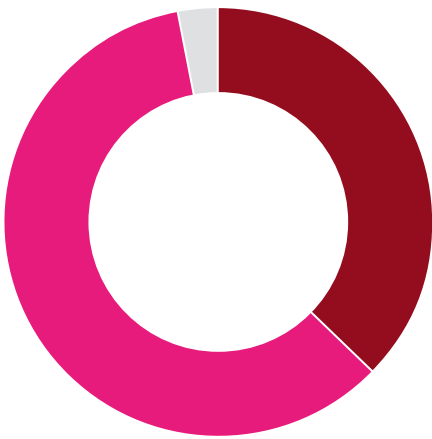
Do you see AI as:

Response	%
● Yes	37
● No	59
● Don't know	3
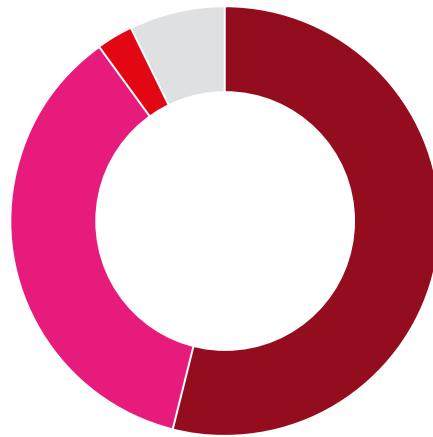
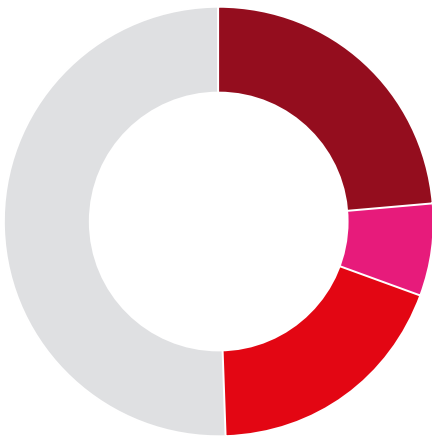| Response	%
● An opportunity for your business	54
● Both of the above	36
● Don't know	3
● Neither of the above	7

In terms of respondents using AI, the main uses were around streamlining of processes, ChatGPT software for text editing and marketing activities. Some respondents who were utilising AI did stress that they were very much in the trial stages and had not fully worked out the best way to embed it into their respective organisations.

Ambitions for growth

Our survey asked our respondents on their future growth plans for their organisation. Just over half of respondents (51%) had plans for "steady growth" at the present moment, 19% had plans for "ambitious and fast growth", 24% were focusing on the "core offering and consolidating activity" and 6% were cutting costs in "difficult trading environment".

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

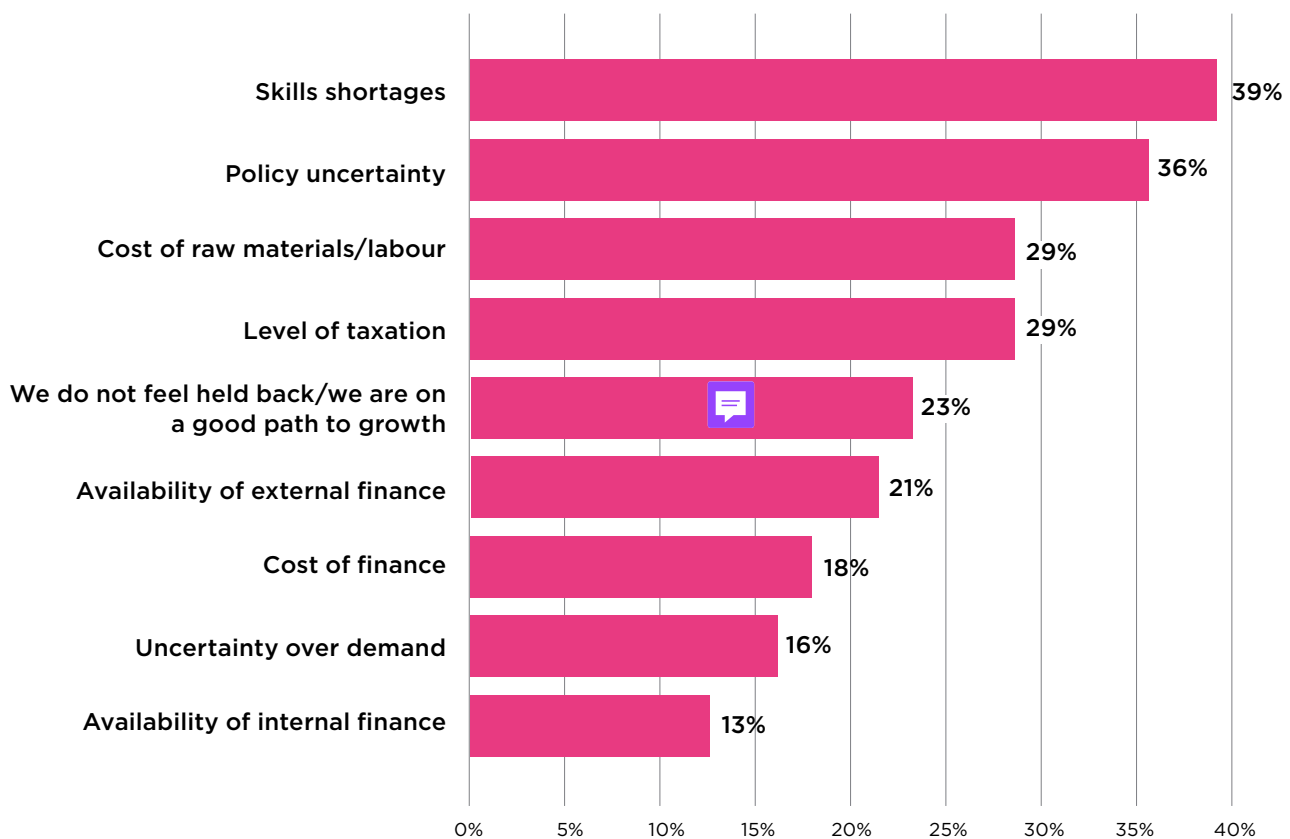| Response	%
● We are consolidating activity and focusing on our core offering	24
● We are cutting costs in a difficult trading environment	7
● We have ambitious plans to scale up fast	19
● We have plans for steady growth	51

Policy priorities

We asked our respondents the key three policy priorities to them and their organisations for the next 5 years. Our list had a number of different areas across the board but below are the three areas that polled the highest.

Skills shortages was cited by 39% of respondents as the key policy priority, followed by Policy Certainty (36%) and Cost of Labour/Materials (29%).

Level of taxation and external finance were also high on the list with a respective 27% and 21% of respondents ranking these areas.

Which of the following policy issues will be the priority for your organisation over the next five years? Please select your top three.

| Policy issue	%
Skills shortages	39%
Policy uncertainty	36%
Cost of raw materials/labour	29%
Level of taxation	29%
We do not feel held back/we are on a good path to growth	23%
Availability of external finance	21%
Cost of finance	18%
Uncertainty over demand	16%
Availability of internal finance	13%

Welsh Government economic growth

When asked about if the Welsh Government had the economy high enough on the priority list, over two-thirds of respondents (71%) answered No, versus 12% that said Yes.

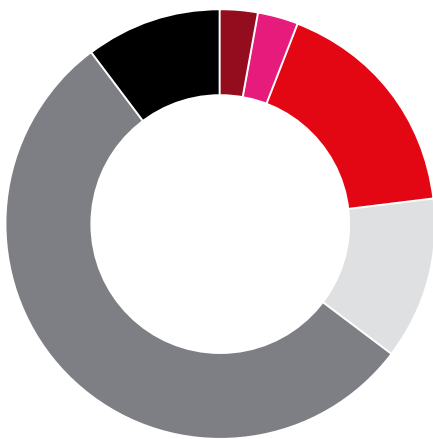**Do you think the Welsh Government has the economy high enough on its priority list?**
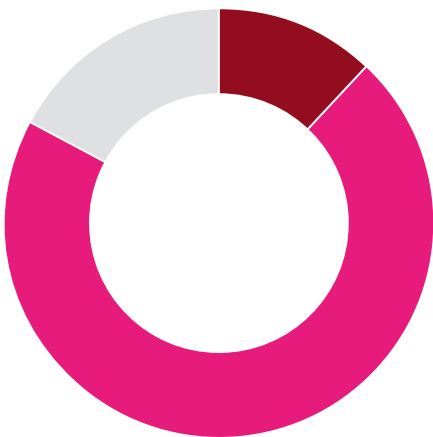
Response	%
● Yes	12
● No	71
● Don't know	17

EU

Respondents were also asked about the impact of leaving the European Union on their business. Below is the results around what extent it either helped or hindered.

**To what extent do you feel leaving the EU hindered or helped the Welsh economy?**

Response	%
● Significantly helped	3
● Slightly helped	3
● Neither helped nor hindered	17
● Slightly hindered	12
● Significantly hindered	54
● Don't know	10

For those who felt it had "significantly hindered or slightly hindered", the two areas that were commonly cited in the comments section as being an issue were around access to talent/labour and the cost element that has increased on exporting and raw materials. Factors such as a loss of EU funding in more deprived areas of Wales were also cited.

Although the majority of respondents felt leaving the EU was a hinderance in some way, there was a few comments that highlighted elements that the departure had impacted their business positively. The key area that was mentioned was around decision making powers and regulation/red tape.

Which of the following, if any, are holding your business back from growth? Please select all that apply.
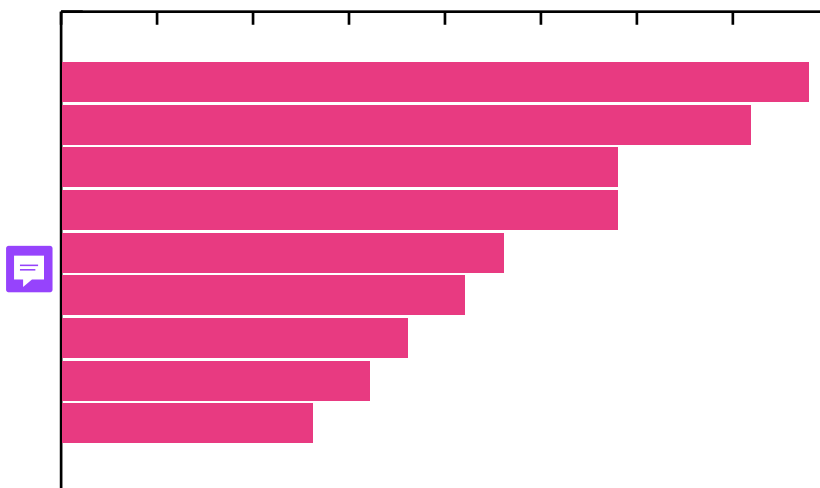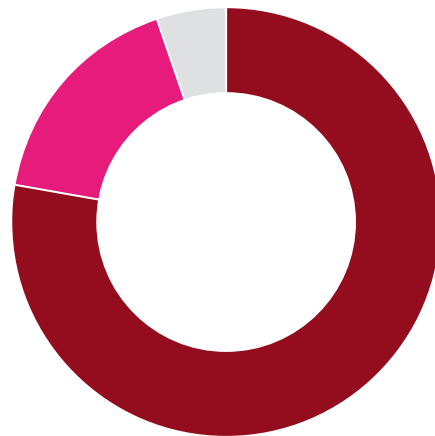
Governance and leadership

At the IoD, governance and leadership are high priorities for us as an organisation and our members. We wanted to gain insights into the role governance and leadership can play across a wider range of metrics in organisations.

Achieving environmental targets

Company profitability
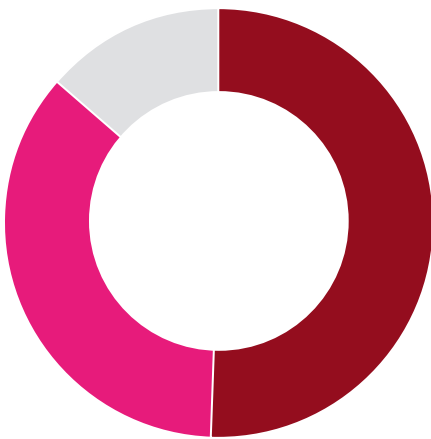
Response	%
● Very important	51
● Important	36
● Not important	14

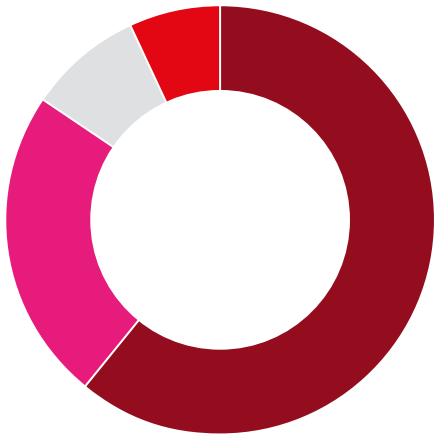| Response	%
● Very important	78
● Important	17
● Not important	5

The highest ranking areas that respondents felt governance and leadership had a role to play were around company profitability (78%) and embedding diversity and inclusion targets (46%).

Embedding diversity and inclusion principles in the organisation's culture
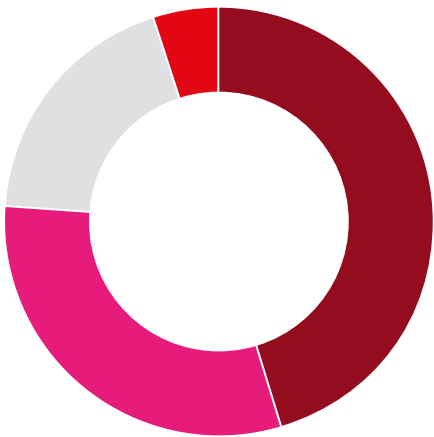
Response	%
● Very important	46
● Important	31
● Not important	19
● Don't know	

Welsh economic performance

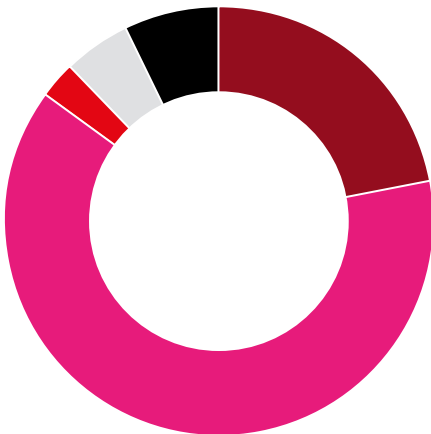| Response	%
● Very important	61
● Important	24
● Not important	9
● Don't know	7

ESG journey

On the topic of Environmental, Social and Governance goals, we asked respondents around the extent to which these have been embedded in their organisation.

Well over a half of respondents (63%) said that "To some extent" ESG was embedded in the organisation, 22% said that it was "Fully" embedded. 7% said that they had not begun the journey but were about to start, 5% had not considered this yet and 3% said they were not planning to start.

ESG opportunities
We also asked respondents whether or not they felt that ESG presented opportunities for their business to expand and grow. Just over half of respondents (51%) said it was an opportunity, 31% said it was not an opportunity and 10% felt that it was not an opportunity at the present moment.

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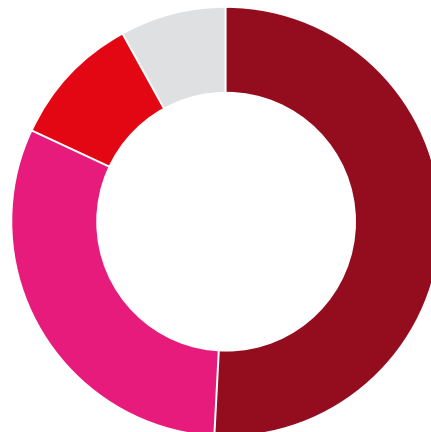

Do you feel ESG is an opportunity for your business?

Response	%
● Fully	22
● To some extent	63
● We are not planning to	3
● We have not considered this yet	5
● We have not yet but are planning to	7

Response	%
● Yes	51
● No	31
● Not a priority at the moment	10
● Don't know	8

For those who answered "Yes" to ESG targets being an opportunity, we asked them what areas they felt it could offer these opportunities in. 41% felt that being "seen" to do the right thing/brand exposure was a key reason, 24% saw an opportunity to generate revenue in terms of product offerings, 17% said an opportunity to protect the next generation and the remaining respondents answered all of the above.

You said ESG does present an opportunity for your business. What kind of opportunities does it present for your organisation?
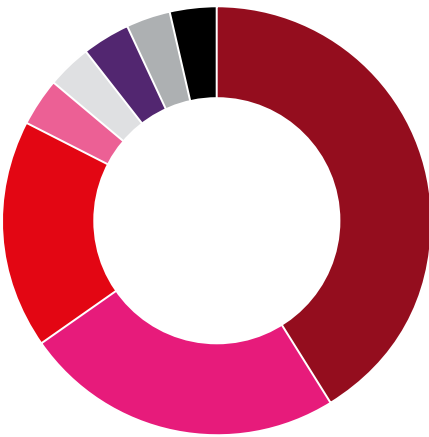
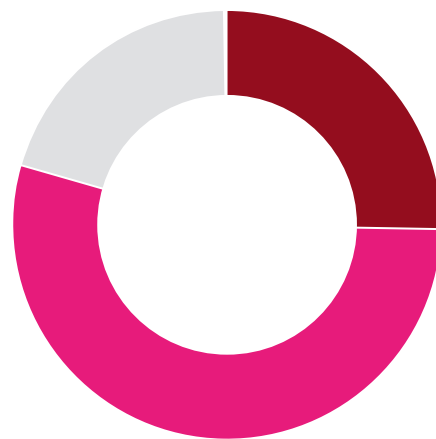| Response	%
● Opportunity to position our brand (i.e. be seen to be doing the right thing)	41
● Opportunity to increase sales	24
● To protect the next generation of talent	17
● All of above	3
● All of the above, It is important for us that our family business is an extention of our values and contributes to wider society / community, thorugh the various initiatives that we undertake	3
● It is core to our purpose	3
● Moral and ethical alignment with purpose	3
● Must remain a fundamental part of good governance	3

Welsh Government Net Zero target
In addition to our questions around ESG, we also asked respondents if they felt supported enough to lead their organisation towards the Welsh Government's Net Zero targets. Over half of respondents (54%) said that they did not feel supported and more resource was required. 25% said that they felt they were on their way towards the targets.

Do you feel supported to be able to lead your organisation to achieve the Welsh Government's Net Zero target?

Response	%
● Yes, we are on our way	25
● No, more support and resource is required	54
● Don't know	20

Continued Professional Development (CPD)

Continuous Personal Development is another important topic for the IoD and we asked our members a series of questions around their CPD journey.

75% of respondents had completed some form of CPD within the last three years, with 25% of respondents not completing any.

27% of respondents had also completed some form of the CPD through the IoD and the Professional Development team.

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

Response	%
● Yes	75
● No	25

Has any of this CPD been with the IoD?

Response	%
● Yes	27
● No	73

CPD future

Looking ahead to the next three years, 80% of respondents intend to complete CPD, with 20% having no intention at the present moment of doing so.

Do you plan to undertake any form of CPD in the next 3 years?

Response	%
● Yes	80
● No	20

Concluding remarks

To conclude, we trust that the topics we have covered will be of interest to our members and stakeholders. The findings are wide ranging but the three areas which gained the most attention were focused around the Welsh Economy, Skills and the EU/trade relationship. Each of these respective areas were of particular concern to a majority of our respondents.

Ahead of the 2026 Senedd Elections, IoD Wales will be producing a "Business Manifesto", and the findings of our State of the Nation will help to shape our vision for our Manifesto. Our Manifesto will look towards the areas in which there can be an improved working relationship between business and government in Wales to drive sustainable economic growth.

This is the first year of the IoD Wales State of the Nation Survey and we are looking forward to working with members to develop the survey moving forward. As the survey moves into year 2 and 3, we will aim to benchmark certain areas to chart progress over a period of time and assess areas of policy intervention that may be required.
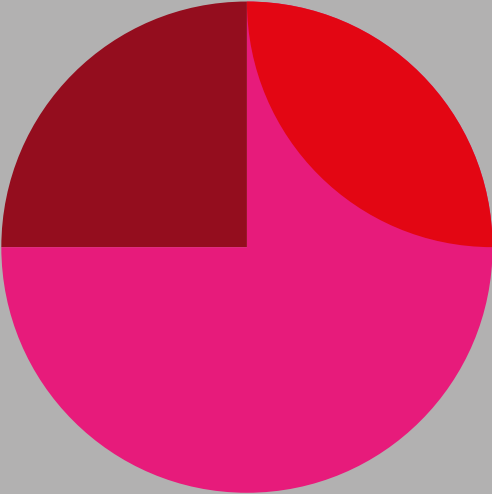
The results of the survey will help shape our day to day policy engagement, event planning and sectoral priorities. Although the survey will be conducted on a yearly basis, we would strongly encourage members to continue to feed into our UK-wide Policy Voice survey (conducted monthly) to help shape our policy engagement with the UK and Welsh Governments.

If you would like to discuss any aspect of the survey or the findings, please contact marc.strathie@iod.com

iod.com