

HIE BUSINESS PANEL

Wave 29:
November/December 2025



EXECUTIVE SUMMARY (1)

Overview

This report presents findings from the most recent wave of the Highlands and Islands Enterprise Business Panel survey carried out in November and December 2025.

Confidence in the economic outlook for Scotland decreased this wave. However, over the past six months, most businesses had either performed well or had been fairly steady, while a quarter had struggled. Overall business performance was similar to the previous wave in Jun/Jul 2025.

Looking ahead, just under half of businesses were striving for growth, while over a third were content with their current level of performance. One in ten were looking to downsize.

Most businesses were experiencing at least one significant challenge. The most frequently cited issues were increased cost of doing business, changing regulations, and workforce issues. As a result of these challenges more than half of businesses were increasing prices.

Meanwhile the most commonly reported impacts of the significant challenges facing businesses were delaying/postponing increases to staff wages or benefits, recruiting new staff, and delivering new capital projects/investments.

This wave had a focus on cost and financial concerns. The top three financial concerns were lower or no profit margins, cashflow, and inflation. The top three cost increases cited as having the biggest impact on businesses were business rates, taxation and insurance, electricity and/or gas, and staff costs.

Among those who said that increased cost of doing business, or finance, were significant challenges, the most commonly cited impact of these challenges was reduced profit margins. This was followed by a loss or reduction in customer demand, an inability to set prices for the coming year, and being less competitive.

This wave also explored workforce and recruitment. Most businesses had enough staff to fill the roles needed and the right level of skills in the business.

Among businesses who said workforce was a significant challenge, recruiting staff was the top concern. This was followed by the cost of labour, the ability to pay competitive wages, and retaining staff.

Just under half of all businesses had sought to recruit in the past year. Among businesses who did not have the right level of staff or skills, almost two-thirds said that they had not been recruiting because wage costs were too high.

Among businesses who had sought to recruit staff, more than half had tried to recruit each of the following: young people, unskilled workers to train in-house, and for skilled roles. 30% had tried to recruit into apprenticeships and 15% had tried to recruit into graduate positions. Businesses were, on the whole, more positive than negative about their experiences recruiting into graduate positions and apprenticeships.

The roles that businesses had found most difficult to fill were skilled trades and craftspeople, general labourers, and hospitality and service workers.

Among businesses encountering problems with the quality of applicants, around three-quarters said that these applicants had been lacking the skills they were looking for or tended to have poor attitude or motivation.

The most commonly reported reasons for applicants turning down positions offered to them were a lack of accommodation in their area, the location of the business, poor transport connections, unappealing working hours or patterns or level of pay.

The overarching impact reported by businesses who did not have the right level of staff or skills was increased workload for existing staff, although difficulties meeting customer service objectives and losing business to competitors were also cited.

EXECUTIVE SUMMARY (2)

Business structure

- **Among employers (businesses with at least one employee), 69% described themselves as family-owned, 10% were employee-owned** (with employees owning a majority of the shares) and **5% were a co-operative** (owned or controlled by its members). 13% of all businesses (including sole traders) were women-led and 4% described themselves as a social enterprise. The profile was similar to the previous wave.
- **16% of employers fell within one of the “inclusive ownership models”** of employee-ownership, social enterprise or co-operatives.

Optimism and performance

- **Confidence in the economic outlook for Scotland decreased this wave:** 47% of businesses were confident (compared to 53% in Jun/Jul 2025), while 51% were not (compared with 45%).
- **Reflecting on the past six months, 43% said their economic confidence had decreased, 7% said it had increased, and 50% said it had stayed the same.** Net confidence was -36, similar to the previous wave.
- **Views on their own business performance over the last six months were mixed,** with 35% saying their business had performed well, 39% saying their performance had been fairly steady and 25% saying they had struggled. Views on performance were similar to the previous wave (when 33% had performed well, 43% had steady performance and 24% had struggled).

- **Among businesses reporting they had performed well** in the past six months, the **top reason cited for this was increased demand** (69%), followed by efficiency improvements (43%), and having made cost savings (33%).
- **Among businesses reporting that they had struggled** in the past six months, the **top reason cited for this was costs** (77%), followed by reduced demand (60%), and compliance with legislation and regulation (42%).
- **Over the past six months, sales or turnover performance was mixed** (35% said it had increased, 26% decreased, and 38% remained the same). Figures were similar to the previous wave, with businesses again performing better on sales or turnover than on profit (22% said profit margins had increased, 39% decreased, and 36% remained the same).
- **Employment and exports had remained relatively stable over the last six months** (70% and 68% respectively said these had stayed the same). Figures were similar to the previous wave.
- Growth aspirations were very similar to the previous wave. **Just under half (48%) of businesses were striving for growth** (the same as in the previous wave), while 36% were content with their current level of performance (versus 38% previously), and 13% were looking to downsize (12% previously).

EXECUTIVE SUMMARY (3)

Markets of operation

- **Most businesses (80%) were importers** (sourcing goods from outside Scotland), with 79% importing from the rest of the UK and 34% from outside the UK. Figures were similar to the previous wave (Jun/Jul 25). The majority of businesses (93%) sourced goods and materials from Scotland, with 17% sourcing *only* from Scotland.
- As in the previous wave, the proportion of businesses importing from the rest of the UK was lower in the Highlands and Islands (79%) than in the South of Scotland (83%). Both areas had a similar proportion of businesses importing from outside the UK (34% in the Highlands and Islands and 32% in the South of Scotland).
- **Just under half (48%) of businesses were exporters** (selling to markets outside Scotland), with 46% selling to the rest of the UK and 26% internationally. The majority (97%) of businesses sold goods or services within Scotland, with 51% selling *only* in Scotland. This pattern was consistent with that seen in the previous wave.
- As in the previous wave, the proportion of businesses selling to the rest of the UK was lower in the Highlands and Islands (46%) than in the South of Scotland (63%). However, the proportion selling outside the UK was higher (26% in the Highlands and Islands, compared with 20% in the South of Scotland).

Challenges

- **Most businesses (93%) were experiencing at least one significant challenge.** The most frequently cited issue was increased cost of doing business, mentioned by 75% of businesses. Almost half (48%) mentioned changing regulations as a significant challenge, while around a third cited workforce issues (31%), supply chain issues/logistics (30%) or reduced demand (29%).
- **Businesses who were experiencing a significant challenge** (of any nature) **most commonly reported having to delay or postpone increasing staff wages or benefits** (29%) as a result. Around a quarter said that they had delayed or postponed recruiting new staff (26%), delivering new capital projects/investments (25%), or developing new products or services (23%).
- **Among businesses who reported that they were experiencing at least one of the significant challenges listed (93%), more than half of those (55%) said they had, or were planning to increase prices in response.** 41% had/were planning to make energy efficiency improvements, 36% to use cash reserves, and 34% to adapt products or services. 30% were sourcing alternative materials, goods or services.

EXECUTIVE SUMMARY (4)

Cost/financial concerns

- Among businesses who said finance was a significant challenge, the top three aspects of most concern were lower or no profit margins (47%), cashflow (43%), and inflation (40%).
- The top three cost increases cited as having the biggest impact on businesses were business rates, taxation and insurance (51%), electricity and/or gas (46%), and staff costs (44%).
- Among those who said that increased cost of doing business, or finance, were significant challenges, the most commonly cited impact of these challenges was reduced profit margins (cited by 74%). This was followed by a loss or reduction in customer demand (38%), an inability to set prices for the coming year (37%) and being less competitive (34%).
- Among businesses who had been recruiting and had encountered problems with the quality of applicants, around three-quarters said that these applicants had been lacking the skills they were looking for (74%) or that applicants tended to have poor attitude or motivation (73%).
- The most commonly reported reasons for applicants turning down positions offered to them were a lack of accommodation in their area (48%), the location of the business (44%), poor transport connections (38%), unappealing working hours or patterns (38%) or level of pay (33%).
- The roles that businesses had found most difficult to fill were skilled trades and craftspeople (36%), general labourers (27%), and hospitality and service workers (18%).

Workforce and recruitment

- Among businesses who said workforce was a significant challenge, recruiting staff was the top concern (cited by 63%). This was followed by the cost of labour (44%), the ability to pay competitive wages (31%), and retaining staff (30%).
- The most commonly reported impact experienced by businesses who did not have the right level of staff or skills was increased workload for existing staff, cited by 80% of these businesses. This was followed by difficulties meeting customer service objectives (40%), losing business to competitors (35%), difficulties meeting quality standards (25%), and having to outsource work (25%).

- Around seven in ten businesses (69%) had enough staff to fill all the roles they needed, while three in ten (30%) did not. A higher proportion (79%) currently had the right level of skills in the business, while 20% did not. 37% of employers either did not have enough staff or the right level of skills, while 12% had neither enough staff, nor the right level of skills in their business.
- 46% of businesses had sought to recruit in the past year, while a slightly higher proportion (52%) had not.
- Among businesses who did not have the right level of staff or skills and had not been recruiting, almost two-thirds said that this was because wage costs were too high (63%).

Graduates and apprentices

- Among businesses who had sought to recruit staff, more than half had recruited young people (63%), unskilled workers to train in-house (61%), and skilled roles (61%). 30% had recruited apprenticeships and 15% had recruited into graduate positions.
- Businesses were, on the whole, more positive than negative about their experiences recruiting into graduate positions and apprenticeships. 41% were positive about recruiting into graduate positions (25% negative), and 46% were positive about recruiting apprentices (33% negative).

A. INTRODUCTION

INTRODUCTION

Introduction

This report presents findings from wave 29 of the Highlands and Islands Enterprise (HIE) Business Panel survey*. Survey fieldwork was conducted between 28th October and 5th December 2025, using both online survey and telephone interviewing. In total 1,005 eligible surveys with businesses and social enterprises across the Highlands and Islands were achieved (833 by telephone, 172 online).

As well as tracking questions exploring economic optimism, business performance, markets of operation and growth aspirations, the survey explored challenges facing businesses with a focus on cost increases and finance issues. There was also a focus on workforce with questions exploring recruitment experiences and impacts of staff/skills shortages.

Context for this wave*

This wave took place during a period when there were mixed signals in the economy. Businesses experienced some contraction in activity and orders, influenced by cautious consumer sentiment related to uncertainties around the UK Budget in late November. Economic growth was primarily supported by the service and construction sectors, while manufacturing experienced reduced output.

However, the labour market appeared stable, despite underlying concerns about wage growth. Inflation showed a modest decline.

NOTES:

*For more information about the HIE Business Panel Survey, and to view previous reports visit: www.hie.co.uk/businesspanel

**For further information on the economic context in Scotland, please visit: <https://www.gov.scot/collections/monthly-economic-briefs/>

***Findings of the SOSE Business Panel Surveys are available at :<https://www.southofscotlandenterprise.com/business-surveys>

About the HIE Business Panel Survey

The HIE Business Panel was established to measure and monitor the economic health of the region through the experiences and opinions of businesses and social enterprises in the area, and to explore topical issues at a regional, sub-regional or sectoral level.

Following two waves of panel surveys in 2014 and 2015, HIE commissioned Ipsos Scotland to carry out regular business panel surveys with 1,000 businesses and social enterprises, representative of the Highlands and Islands business base in terms of geographic area, organisation size and sector. The surveys ran quarterly during 2016 and 2017, before changing to three times per year between 2018 and 2023 and twice annually from 2024. The last wave of the survey was carried out in June/July 2025.

Since June 2021, surveys have been carried out in parallel with South of Scotland Enterprise (SOSE), with members of the SOSE Business Panel comprising businesses in the South of Scotland region (Dumfries and Galloway and the Scottish Borders). Both surveys include a core question set although there is scope for tailored questions for each agency.***

Two methodological changes were introduced in Wave 25 (May/June 2023). Firstly, businesses were provided with the option of completing the survey either online or by telephone interview (this online element having previously been utilised pre-2017). Additionally, a slight change was made to the sector categories used in the design of the survey sample. In both cases precautions were taken and quality checks carried out to ensure that findings remained as comparable as possible with previous survey waves.

METHODOLOGY

Sampling

The survey sample was partly sourced from businesses that took part in previous waves of the survey and had indicated that they were willing to be re-contacted as part of their membership of the HIE business panel. The remaining survey sample was sourced from the Market Location business database.

The sample was designed to match the structure of the Highlands and Islands business population in terms of sector, size, and geographical distribution. Quotas were set so that the achieved sample reflected the population of eligible organisations as defined by the Inter-Departmental Business Register (IDBR).

The sectors referenced in the report are derived from a Standard Industry Classification (SIC) 2007 code applied to each business*. The following SIC 2007 Sections were excluded from the sampling:

- Public administration and defence; compulsory social security;
- Education and health and social work;
- Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use; and
- Activities of extraterritorial organisations and bodies.

The survey was designed to be reflective of the population based on the SIC 2007 codes. In this report businesses are referred to in two ways:

- by the standard sector groupings defined by SIC 2007 code.
- by the growth sector categories used prior to the May/June 2023 wave.

The types of business covered by each category are shown in the Appendix (slide 71).

Fieldwork

Respondents had a choice between completing the survey online or by telephone. The online survey was distributed by e-mail, inviting respondents to complete the questionnaire via a unique link. The remaining surveys were carried out using telephone interviewing.

Within each participating organisation, the survey respondent was the owner or a senior manager able to comment on the performance and future prospects of the organisation.

NOTES:

*Full details of SIC 2007 categories can be found at <https://www.gov.scot/publications/standard-industrial-classification/>

**Definition and details of growth sector categories are available from the Scottish Government at <https://www.gov.scot/publications/growth-sector-statistics/>

PRESENTATION AND INTERPRETATION OF THE DATA

Interpretation of the data

The survey findings represent the views of a sample of businesses, and not the entire business population of the Highlands and Islands, therefore they are subject to sampling tolerances not all differences will be statistically significant. and

Throughout the report, differences between sub-groups are commented upon only where these are statistically significant, i.e. where we can be 95% certain that they have not occurred by chance.

Where percentages do not sum to 100%, this may be due to rounding, the exclusion of 'don't know' categories, or multiple answers. Aggregate percentages (e.g. "optimistic/not optimistic" or "important/not important") are calculated from the absolute values. Therefore, aggregate percentages may differ from the sum of the individual scores due to rounding of percentage totals.

Throughout the report, an asterisk (*) denotes any value of less than half a percent and a dash (-) denotes zero. For questions where the number of businesses is less than 30, the number of times a response has been selected (N) rather than the percentage is given.

The profile of the businesses that took part in the survey covered a range of categories in the Scottish Government's six-fold Urban Rural Classification.* In this report, survey findings have been condensed into three categories: remote rural (category 6), accessible rural (5), and small towns and peripheral urban areas (2 to 4). Throughout, those in small towns and peripheral urban areas are referred to as "urban".

Weighting

The achieved sample was broadly representative of the population, notwithstanding some differential non-response due to differences in availability and willingness to participate.

Weighting was applied to correct the distribution of sectors to match the sample counts. A breakdown of the achieved profile of businesses is provided in the appendix (slide 72).

NOTES:

*The Scottish Government's six-fold Urban Rural Classification is described on the Scottish website available [here](#).

A. BUSINESS STRUCTURE / OWNERSHIP MODELS

KEY FINDINGS

- Among employers, 69% described themselves as family-owned, 10% were employee-owned (with employees owning a majority of the shares), and 5% were a co-operative (owned or controlled by its members).
- 13% of all businesses were women-led, and 4% described themselves as a social enterprise.
- 16% of employers were included within one of the categories of “inclusive ownership”* of employee-ownership, social enterprise or co-operatives.
- A fifth (20%) of businesses fell into none of the categories outlined.
- The overall profile was similar to the previous wave, although this sample did include a higher number of employee-owned businesses (10% vs 5% in the previous wave).

16% had an
inclusive
ownership model

69% described
themselves as
family-owned

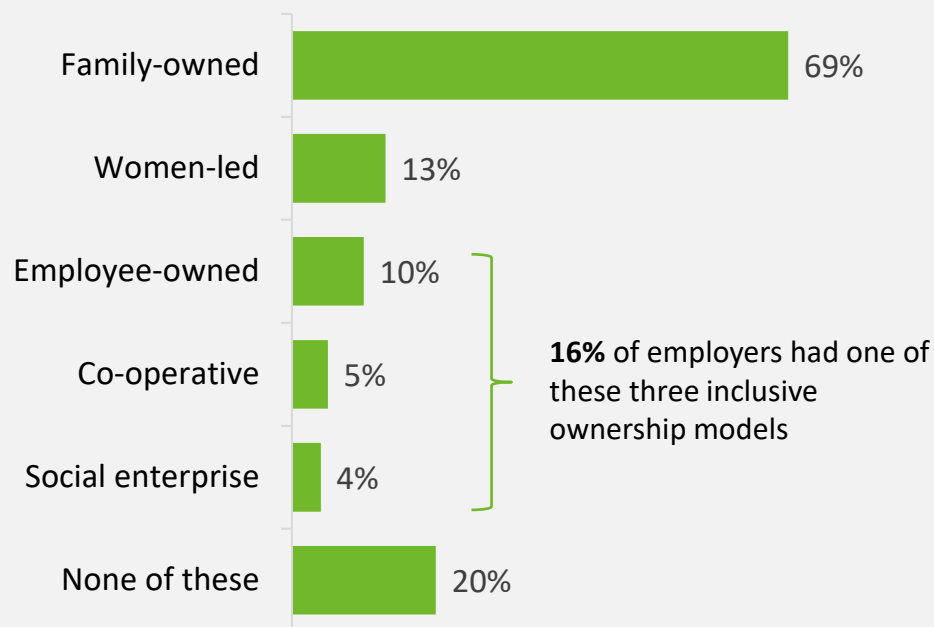
*Inclusive ownership models are one of the five pillars of community wealth building, as defined by the Scottish Government. <https://www.gov.scot/publications/building-community-wealth-scotland-independent-analysis-responses-consultation-exercise-analysis-report/pages/7/>

BUSINESS STRUCTURE

Among employers (all businesses with at least one employee), 69% described themselves as family-owned, 10% were employee-owned (with employees owning a majority of the shares) and 5% were a co-operative (owned or controlled by its members). 13% of all businesses (including sole traders) were women-led and 4% described themselves as a social enterprise.

Findings were similar to the previous wave (June/July 2025), when 66% of employers were family-owned, 4% were co-operatives, 12% of all businesses were women-led and 4% were a social enterprise. There was a higher proportion of employee-owned businesses in the sample this wave (10% compared to 5% in June/July 2025).

Q. Would you describe your business as any of the following?



Note: Businesses could select more than one of these options

Base: For family-owned, co-operative or employee-owned – all employers (777); for all others - all businesses (1,005).

Types of employer more likely than average to be family-owned:

- Accommodation and food services (82%)
- Wholesale, retail and repairs (79%)
- Food and drink growth sector (78%)
- Tourism growth sector (77%)
- 1-4 staff (77%)
- Primary industries (76%)

Types of employer more likely to be employee-owned:

- Financial and business services growth sector (18%)
- Professional, scientific and technical activities (16%)

Types of employer more likely to be co-operatives:

- Arts and entertainment (16%)
- HIE client-engaged (14%)
- Island businesses (9%)

Types of business more likely to be women-led:

- Arts and entertainment (24%)
- Island businesses (17%)

Types of business more likely to be social enterprises:

- Arts and entertainment (24%)
- HIE client-engaged (17%)
- Administrative and support services (9%)
- Island businesses (8%)

B. MARKETS

KEY FINDINGS

- Most businesses (80%) were importers,* with 79% importing from the rest of the UK and 34% from outside the UK. Figures were similar to the previous wave in Jun/Jul 25. The majority of businesses (93%) sourced goods and materials from Scotland, with 17% sourcing only from Scotland.
- Just under half of businesses were exporters (48%)* with 46% selling to the rest of the UK and 26% internationally. The majority (97%) of businesses sold goods or services within Scotland, with 51% selling only in Scotland. This pattern was fairly consistent with that seen in the previous wave (Jun/Jul 2025).
- As seen in the previous wave, the proportion of businesses importing from the rest of the UK was slightly lower in the Highlands and Islands (79%) than in the South of Scotland (83%). Both areas had a similar proportion of businesses importing from outside the UK (34% in the Highlands and Islands and 32% in the South of Scotland).

80% were importers
48% were exporters

NOTES

*In this report, “importers” are defined as those that source goods or materials from any market outside of Scotland. “Exporters” are defined as those that sell goods or services to markets outside of Scotland.

IMPORT MARKETS

Most businesses (80%) were importers,¹ with 79% importing from the rest of the UK and 34% from outside the UK. The majority of businesses (93%) sourced goods and materials from Scotland, with 17% sourcing *only* from Scotland. Figures were similar to the previous wave in Jun/Jul 25.

As seen in the previous wave, the proportion of businesses importing from the rest of the UK was lower in the Highlands and Islands (79%) than in the South of Scotland (83%). Both areas had a similar proportion of businesses importing from outside the UK (34% in the Highlands and Islands and 32% in the South of Scotland).

More likely than average to be importers

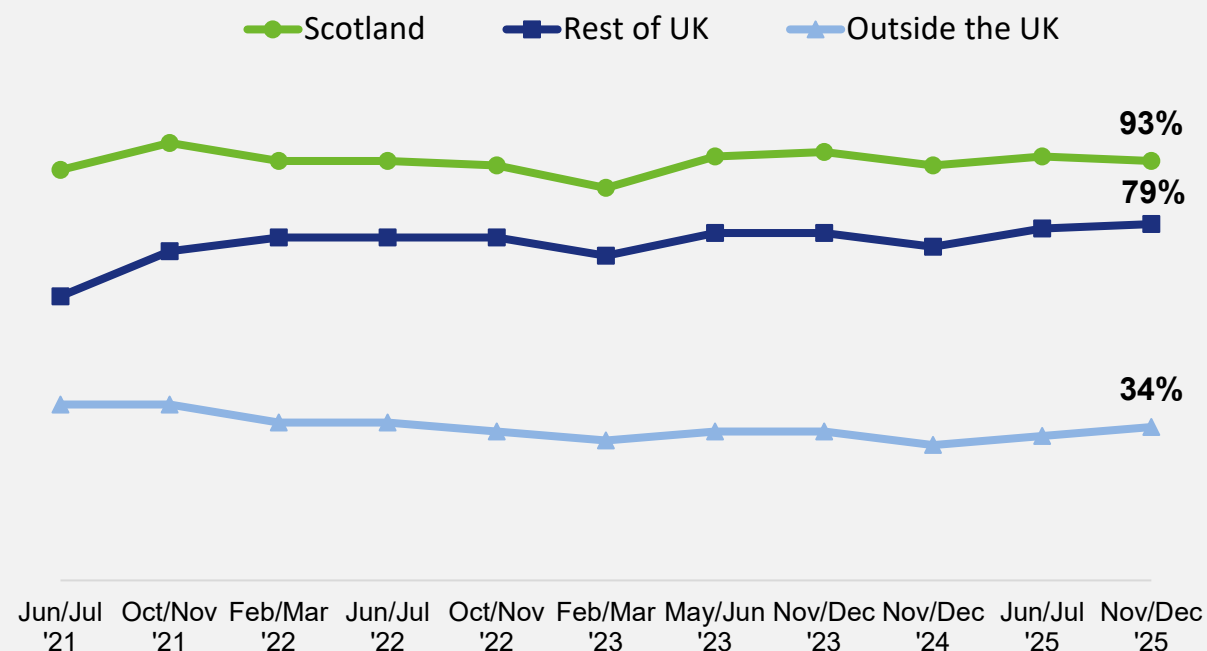
- Employee-owned (92%)
- Manufacturing (91%)
- Wholesale, retail and repairs (87%)
- Striving for growth (84%)

More likely than average to be sourcing goods and materials *only* in Scotland

- Looking to downsize (24%)
- Primary industries (23%)
- 0-4 staff (20%)

Further variation by sector can be found in the Appendix (slides 61 - 63).

Q. From which of these markets do you currently source goods or materials?



Base: All businesses (1,005)

NOTES

¹In this report, “importers” are defined as those that source goods or materials from any market outside of Scotland.

EXPORT MARKETS

Just under half of businesses were exporters (48%),¹ with 46% selling to the rest of the UK and 26% internationally. The majority (97%) of businesses sold goods or services within Scotland, with 51% selling *only* in Scotland.

The proportion of exporters has been broadly the same since June/July 2022 (apart from a slight dip in May/June 2023), remaining lower than the level seen in June/July 2021 (61%). The proportion selling outside the UK was the same as the previous wave (both 26%).

As in the previous wave, the proportion of businesses selling to the rest of the UK was lower in the Highlands and Islands (46%) than in the South of Scotland (63%). However, the proportion selling outside the UK was higher (26% in the Highlands and Islands, compared with 20% in the South of Scotland).

More likely than average to be exporting

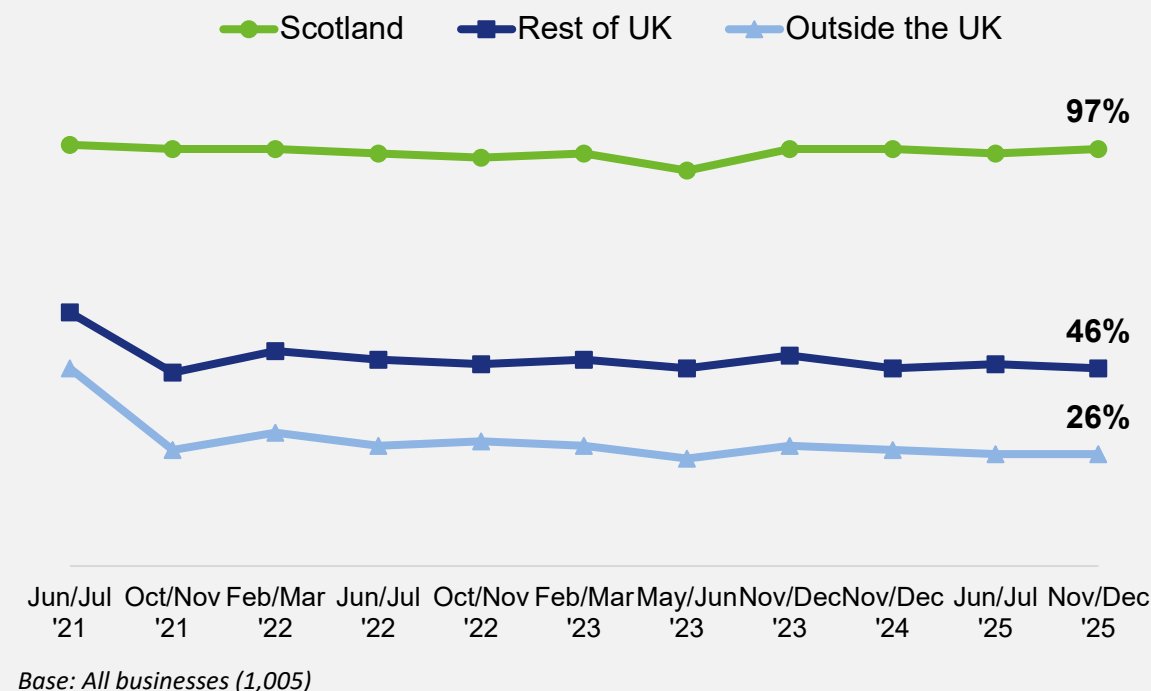
- Accommodation and food services (76%)
- Manufacturing (70%)
- HIE client-engaged (69%)
- 25+ staff (64%)
- IT, finance and real estate (60%)
- Striving for growth (58%)
- Professional, scientific and technical activities (57%)
- Performed well in past six months (54%)

More likely than average to be selling *only* in Scotland

- Construction (78%)
- Content with current level of performance (62%)
- Wholesale, retail and repairs (59%)
- Primary industries (58%)
- 0-4 staff (55%)

Further variation by sector can be found in the Appendix (slides 64 - 66).

Q. In which of these markets do you currently sell goods or services?



NOTES

¹In this report, “exporters” are defined as those that sell goods or services to any market outside of Scotland

C. OPTIMISM AND PERFORMANCE

KEY FINDINGS

- Confidence in the economic outlook for Scotland decreased this wave: 47% of businesses were confident (compared to 53% in June/July 2025), while 51% were not (compared with 45%). Decreased confidence this wave appears to be in line with a pattern of decreasing confidence observed in the autumn waves since Oct/Nov 2022.
- Reflecting on the past six months, 43% said their confidence had decreased, 7% said it had increased, and 50% said it had stayed the same. The net confidence level (i.e. the difference between those saying increased and decreased) was similar to the previous wave (-36 compared to -35 in June/July 2025).
- As in the previous wave, views on their own business performance over the last six months were mixed, with 35% saying their business had performed well, 39% saying their performance had been fairly steady and 25% saying they had struggled.
- Among businesses reporting they had performed well in the past six months (35% of businesses), the top reason cited for this was increased demand (69%), followed by efficiency improvements (43%), and having made cost savings (33%).
- Among businesses reporting that they had struggled in the past six months (25% of businesses), the top reason cited for this was costs (77%), followed by reduced demand (60%), and compliance with legislation and regulation (42%).
- Over the past six months, sales or turnover performance was mixed (35% said it had increased, 26% decreased, and 38% remained the same). Businesses had once again performed better on sales or turnover than on profit (22% said profit margins had increased, 36% decreased, and 39% remained the same). Employment and exports had remained relatively stable (70% and 68% respectively said these had stayed the same). Aspects of performance were similar to the previous wave.
- Growth aspirations were very similar to the previous wave. Just under half (48%) of businesses were striving for growth (the same as in the previous wave), while 36% were content with their current level of performance (versus 38% previously), and 13% were looking to downsize (12% previously).

Confidence in Scotland's economy was down:

47% were confident

51% were not

Over the past six months

35% performed well

39% performed steadily

25% struggled

48% were striving for growth

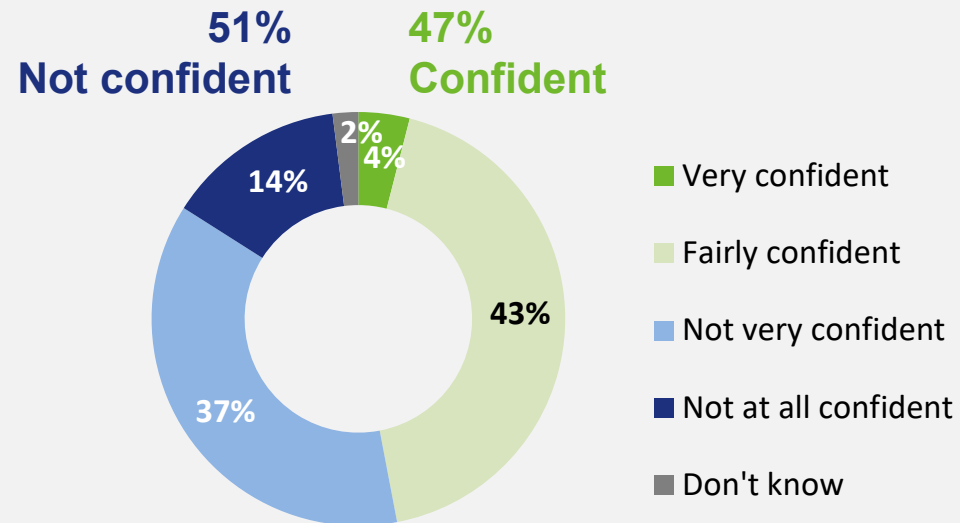
36% were content with current performance

13% were looking to downsize

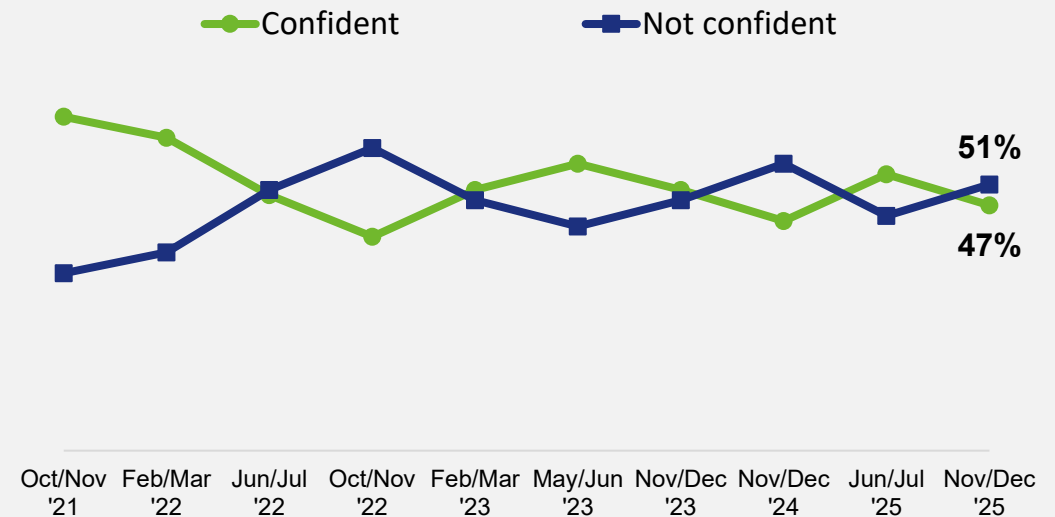
ECONOMIC OUTLOOK FOR SCOTLAND

Confidence in the economic outlook for Scotland decreased this wave: 47% of businesses were confident (compared to 53% in June/July 2025), while 51% were not (compared with 45%).

Q. How confident are you in the economic outlook for Scotland over the next 12 months?



Base: All businesses (1,005).



Decreased confidence this wave appears to be in line with a pattern of decreasing confidence observed in the autumn waves since Oct/Nov 2022.

Confidence was higher in the Highlands and Islands compared to the South of Scotland (47% confident compared to 35%).

More confident than average

- Performed well in the past six months (63% confident)
- Content with current level of performance (54%)
- Island businesses (53%)

Less confident than average

- Struggled in the past six months (76% not confident)
- Looking to downsize (64%)
- Don't have the right level of skills in the business (64%)

ECONOMIC CONFIDENCE OVER PAST 6 MONTHS

Reflecting on the past six months, 43% said their confidence in the economic outlook for Scotland had decreased, 7% said it had increased, and 50% said it had stayed the same.

Net confidence¹ was -36, similar to the previous wave (-35 in Jun/Jul 25).

Net confidence was higher in the Highlands and Islands than the South of Scotland (at -47).

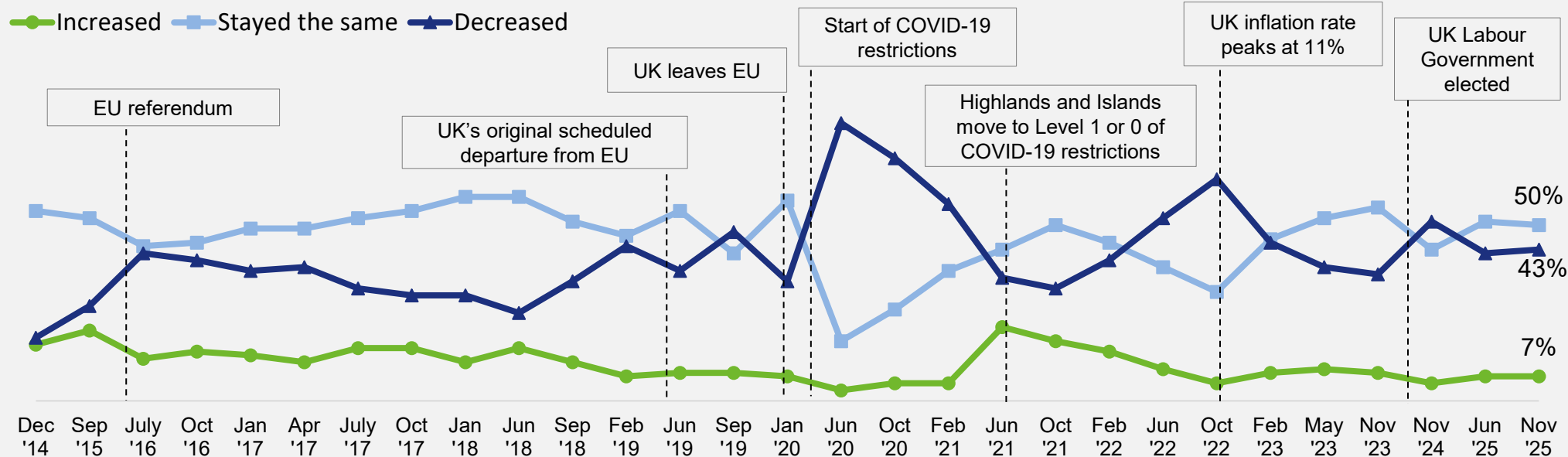
More likely to report increased confidence:

- Employee-owned (16%)
- Performed well in past six months (12%)

More likely to report decreased confidence:

- Struggled in past six months (64%)
- Accessible rural (56%)
- Accommodation and food services (52%)
- Looking to downsize (52%)
- Exporters (47%)
- Don't have enough staff (50%) or the right level of skills in the business (60%)

Q. Over the past six months, has your level of confidence in the economic outlook in Scotland increased, decreased or stayed the same?



Base: All businesses each year (1,005 Nov 2025)

NOTES:

¹The net figure is the difference between 'increased' and 'decreased' assessments at each wave. Net scores are positive when positive assessments exceed negative

PERFORMANCE

Views on their own business performance over the last six months were mixed, with 35% saying their business had performed well, 39% saying their performance had been fairly steady and 25% saying they had struggled.

Views on performance were similar to the previous wave in June/July 2025 (when 33% had performed well, 43% had steady performance and 24% had struggled).

There was no significant difference in performance in the Highlands and Island compared to South of Scotland.

More likely to have performed well

- Administrative and support services (50%)
- Confident in the economy (46%)
- Accessible rural (43%)
- Content with current level of performance (43%)
- Exporters (39%)

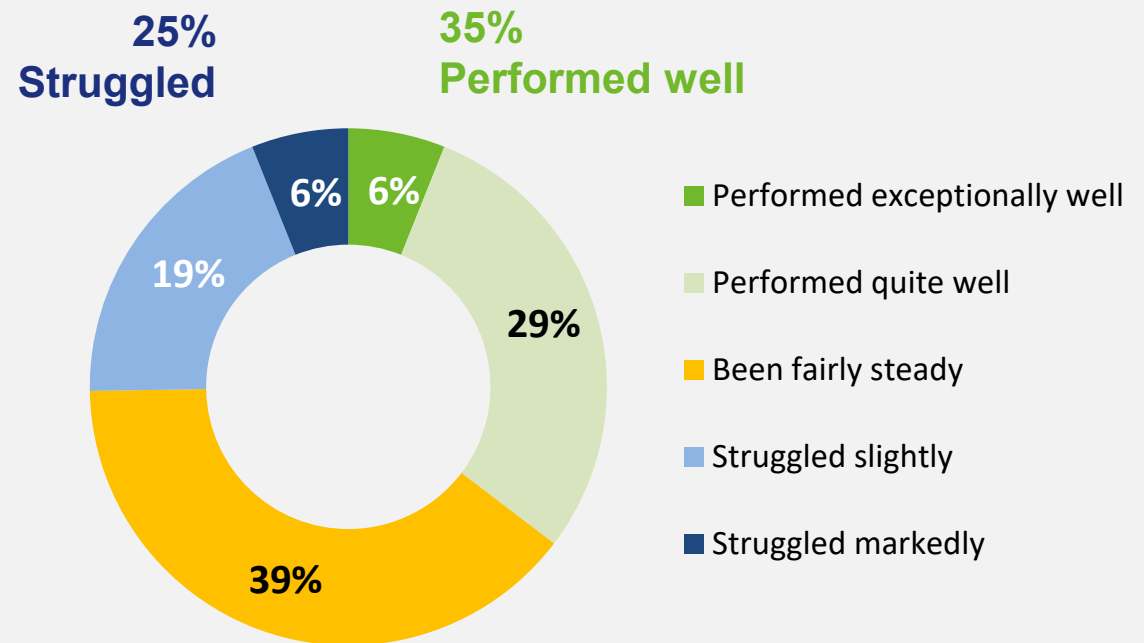
More likely to have been fairly steady

- Content with current level of performance (44%)

More likely to have struggled

- Creative industries growth sector (41%)
- Social enterprises (39%*)
- Not confident in the economy (37%)
- Looking to downsize (37%)
- Accommodation and food services (35%)
- Businesses that do not the right level of skills (32%)
- Tourism growth sector (32%)
- Striving for growth (31%)

Q. Overall, how has your business performed in the last six months?



Base: All businesses (1,005).

*Low base (<50 businesses).

REASONS FOR STRONG PERFORMANCE

Among businesses reporting they had performed well in the past six months (35% of businesses), the top reason cited for this was increased demand (69%), followed by efficiency improvements (43%), and having made cost savings (33%).

Around a quarter of businesses felt that adopting new technologies (28%), recruiting new staff (25%) or launching new products or services (22%) were a driver for having performed well. Fewer mentioned doing more online (17%), new or bigger premises (10%) or changing operating hours (10%).

Certain reasons were more commonly mentioned by:

Sector

- Accommodation and food services – doing more online (36%*)
- Tourism growth sector – doing more online (37%*)

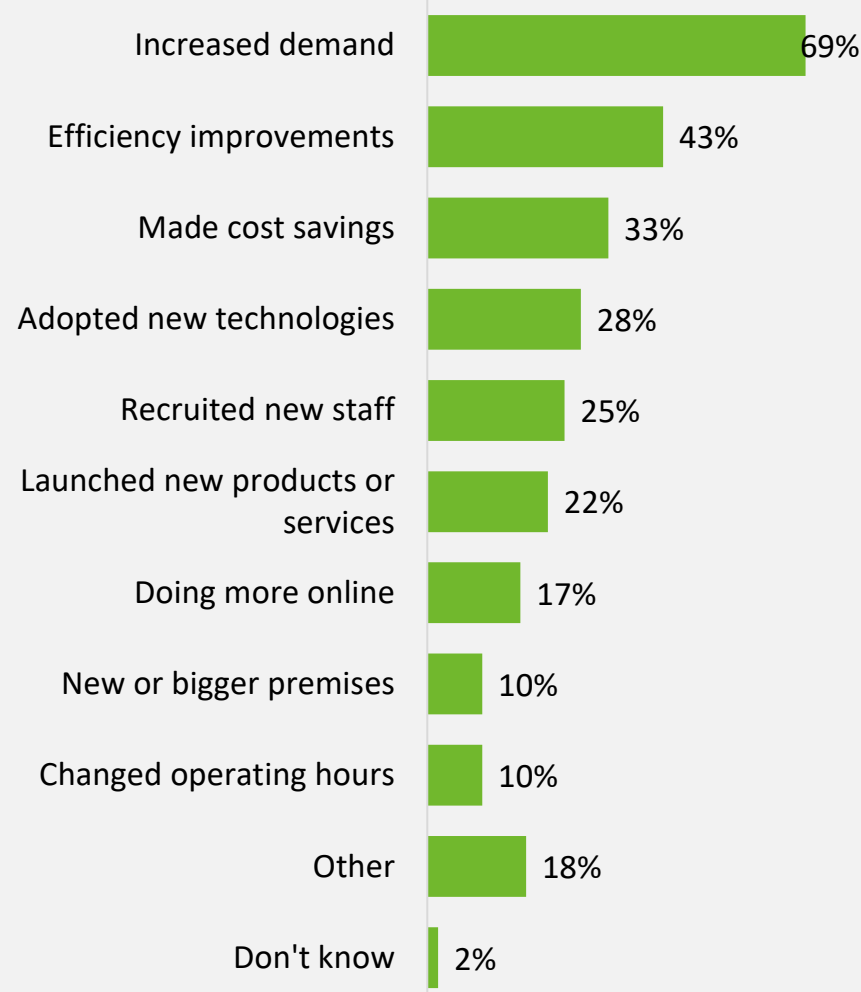
Growth aspiration

- Striving for growth – energy efficiency improvements (52%), made cost savings (39%), adopted new technologies (34%), recruited new staff (40%), launched new products or services (33%), new or bigger premises (15%).

Size

- 25+ staff – recruited new staff (41%*), launched new products or services (38%*)

Q. What are the main reasons why your business has performed well in the last 6 months? Select all that apply



Base: All businesses who performed well in past 6 months (339)

*Low base (<50 businesses).

REASONS FOR HAVING STRUGGLED

Among businesses reporting that they had struggled in the past six months (25% of businesses), the top reason cited for this was costs (77%), followed by reduced demand (60%), and compliance with legislation and regulation (42%).

Just under a third mentioned difficulty recruiting or retaining staff as a key reason for why they had struggled (32%). Around a quarter cited seasonality (28%), supply chain disruption (24%) or increased competition (22%), while a fifth mentioned difficulty accessing finance (20%).

Certain reasons were more commonly mentioned by:

Sector

- Wholesale, retail and repairs – reduced demand (76%*), increased competition (39%*)
- Professional, scientific and technical activities – increased competition (37%*)

Growth aspiration

- Looking to downsize – compliance with legislation and regulation (56%)
- Food and drink growth sector – supply chain disruption (41%)

Q. What are the main reasons why your business has struggled in the last 6 months?



Base: All businesses who struggled in past 6 months (258)

*Low base (<50 businesses).

ASPECTS OF BUSINESS PERFORMANCE

Over the past six months, sales or turnover performance was mixed (35% said it had increased, 26% decreased, and 38% remained the same). Businesses had once again performed better on sales or turnover than on profit (35% said sales or turnover had increased, compared with 22% who said profit had increased). Employment and exports had remained relatively stable (70% and 68% respectively said these had stayed the same). Aspects of performance were similar to the previous wave.

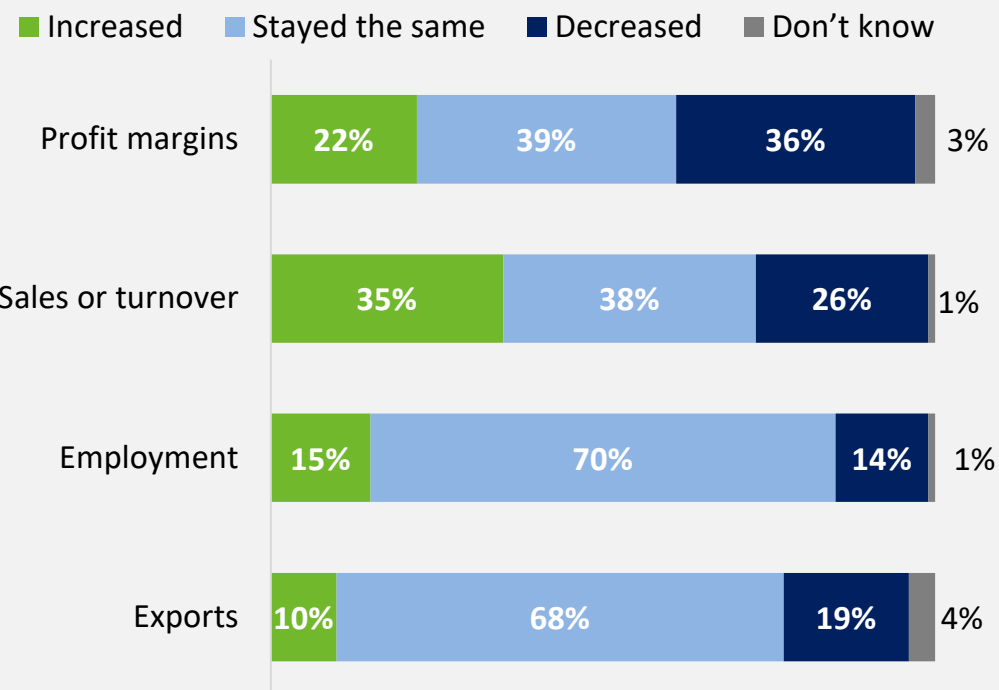
Increases were more common among:

- **25+ staff** – employment (30%)
- **Manufacturing** – employment (27%)
- **Professional, scientific and technical activities** – exports (18%)
- **Administrative and support services** – sales or turnover (48%), profit margins (33%)
- **Urban businesses** – employment (20%)
- **Confident in the economy** – sales or turnover (46%), profit margins (32%), employment (19%)
- **Striving for growth** – employment (22%)
- **Performed well in the past six months** – sales or turnover (70%), profit margins (49%), employment (25%)

Decreases were more common among:

- **Accommodation and food services** – employment (21%), profit margins (47%)
- **Arts and entertainment** – employment (23%)
- **Tourism growth sector** – profit margins (46%)
- **Not confident in the economy** – profit margins (52%), sales or turnover (38%), exports (27%), employment (19%)
- **Struggled in past six months** – profit margins (75%), sales or turnover (64%), exports (38%), employment (27%)
- **Looking to downsize** – sales or turnover (41%), employment (26%)

Q. Please tell me if the following has increased, stayed the same or decreased over the last six months?



Base: All businesses to whom each applied: Profit margins (985), Sales (990), Employment (925), Exports (345).

ASPIRATIONS

Just under half of businesses (48%) said they were striving for growth, while 36% were content with their current level of performance. A smaller proportion (13%) were looking to downsize.

Growth aspirations were very similar to the previous wave in June/July 2025 (when 48% were striving for growth, 38% were content, 12% were looking to downsize). This reflects a continuation of the trend of minimal variation in growth aspiration among businesses over time, since this question was reintroduced in May/June 2023.

More likely to be striving for growth:

- HIE client-engaged (87%)
- Social enterprises (77%*)
- Manufacturing (75%)
- 25+ staff (72%)
- Arts and entertainment (63%)
- Struggled in past six months (60%)
- Tourism growth sector (59%)
- Women-led (56%)

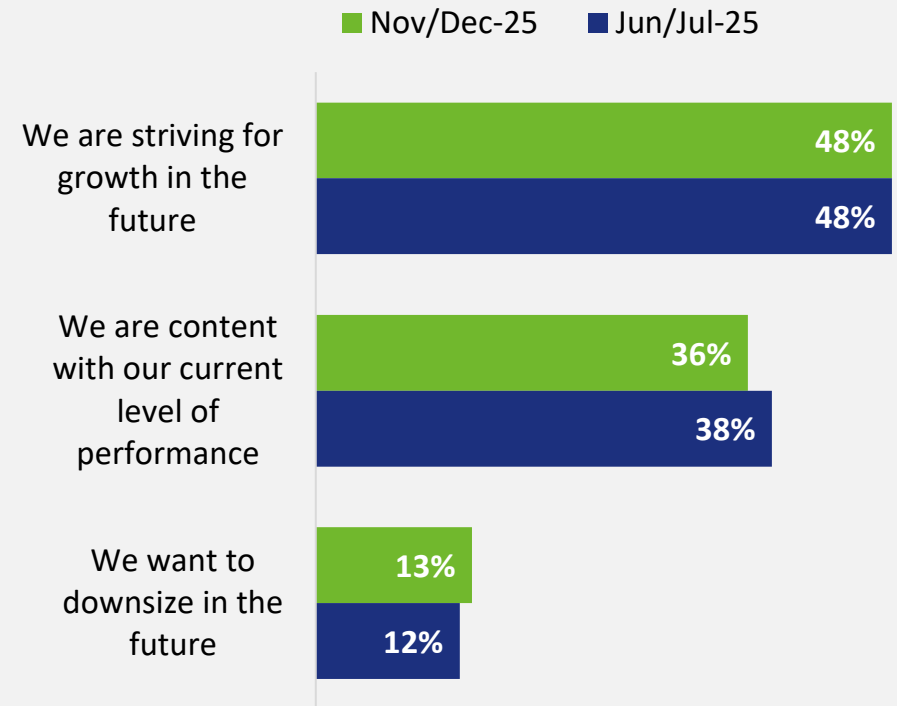
More likely to be content with current level of performance

- Construction (48%)
- Performed well in past six months (45%)

More likely to be looking to downsize:

- Struggled in past six months (19%)
- 0-4 staff (18%)
- Non HIE client-engaged (17%)

Q. Which of the following best describes your current aspirations for your business?



Base: All businesses Jun/July 25 (1,007). All businesses Nov/Dec 2025 (1,005).

*Low base (<50 businesses).

D. CHALLENGES AND CONCERNS

KEY FINDINGS

- Most businesses (93%) were experiencing at least one significant challenge. The most frequently cited challenge was increased cost of doing business, mentioned by 75% of businesses. Almost half (48%) mentioned changing regulations as a significant challenge, while around a third (31%) cited workforce issues, supply chain issues/logistics (30%) or reduced demand (29%).
- The top three issues that businesses were most concerned about were: increased cost of doing business (38% most concerned), changing regulations (14%) and workforce issues (12%).

93% were experiencing at least one significant challenge

Top challenges:

75% increased cost of doing business

48% changing regulations

31% workforce issues

CHALLENGES AND CONCERNS

Most businesses (93%) were experiencing at least one significant challenge. The most frequently reported challenge was the increased cost of doing business, mentioned by 75% of businesses. Just under half (48%) mentioned changing regulations as a significant challenge, while around a third cited workforce issues (31%), supply chain issues/logistics (30%) or reduced demand (29%).

Q. Which of the following, if any, is currently a significant challenge for your business?



Base: All businesses (1,005).

Just over a quarter of businesses indicated that moving to Net Zero ways of working or finance were significant challenges (both 26%).

Fewer mentioned new technologies (17%) or international trading conditions (17%). However, those importing from or selling outside of the UK were more likely to cite international trading conditions as a significant challenge (29% and 31% respectively).

Issues of most concern

Businesses citing more than one challenge (82%) were also asked which they were most concerned about. The top three issues were: increased cost of doing business (38% most concerned), changing regulations (16%) and workforce issues (12%).

CHALLENGES (2)

Certain businesses were more likely than others to say that specific challenges were having an impact on their business.

Certain challenges were more commonly mentioned by:

Sector

- Primary industries – changing regulations (61%), moving to net zero ways of working (36%)
- Manufacturing – supply chain issues/logistics (48%), finance (38%), international trading conditions (33%)
- Wholesale, retail and repairs – supply chain issues/logistics (38%)
- Accommodation and food services – increased cost of doing business (86%), changing regulations (57%), workforce issues (40%)
- Professional, scientific and technical activities – new technologies (25%)
- Arts and entertainment – finance (38%)
- Food and drink growth sector – changing regulations (60%), moving to net zero ways of working (37%)
- Tourism growth sector – increased cost of doing business (88%)
- Creative industries growth sector – international trading conditions (26%)

Structure

- Women-led – workforce issues (39%), finance (35%)
- Family-owned – increased cost of doing business (80%)
- Social enterprise – increased cost of doing business (90%*), finance (45%*)
- Co-operative – finance (41%*)

Growth aspiration

- Striving for growth – increased cost of doing business (82%), workforce issues (38%), finance (35%)

Size

- 25+ staff – workforce issues (54%), finance (36%), international trading conditions (29%)

Mainland or Island

- Island business – supply chain issues/logistics (39%)

Client engagement

- HIE client-engaged – workforce issues (44%), supply chain issues/logistics (45%), finance (49%), international trading conditions (29%)

Economic confidence

- Not confident in the economy – increased cost of doing business (81%), reduced demand (40%), moving to net zero ways of working (30%)

Performance

- Struggled in past six months – increased cost of doing business (84%), reduced demand (52%), finance (34%)

Workforce

- **Businesses that did not have enough staff** – increased cost of doing business (82%), workforce issues (64%), moving to net zero ways of working (33%), finance (33%).
- **Businesses that did not have the right level of skills** – increased cost of doing business (86%), changing regulations (59%), workforce issues (69%), finance (34%).

The following businesses were more likely to say that none of these were a significant challenge:

- Construction (12% compared with 6% overall), content with level of performance (11%), performed well in past six months (10%), financial and business services growth sector (13%), creative industries growth sector (13%)

*Low base (<50 businesses).

E. COST/FINANCIAL CONCERNS

KEY FINDINGS

- Among businesses who said that the increased cost of doing business was a significant challenge (75%), the top three cost increases cited as having the biggest impact were business rates, taxation and insurance (51%), electricity and/or gas (46%), and staff costs (44%). Few businesses cited the cost of debt (7%) or mortgage or rent (5%) as having the biggest impact. A small proportion (5%) felt that none of the cost increases listed had impacted on their business.
- Among businesses who said finance was a significant challenge (26%), the top three aspects of most concern were lower or no profit margins (47%), cashflow (43%), and inflation (40%).
- Among those who reported the increased cost of doing business, or finance, as significant challenges, the most commonly cited impact was reduced profit margins (cited by 74%). This was followed by a loss or reduction in customer demand (38%), an inability to set prices for the coming year (37%) and being less competitive (34%). Just 6% said these challenges had no impact.

Top financial concern:

47% lower or no profit margins

Top cost concern:

51% business rates, taxation and insurance

Impacts of cost/finance challenges

74% lower or no profit margins

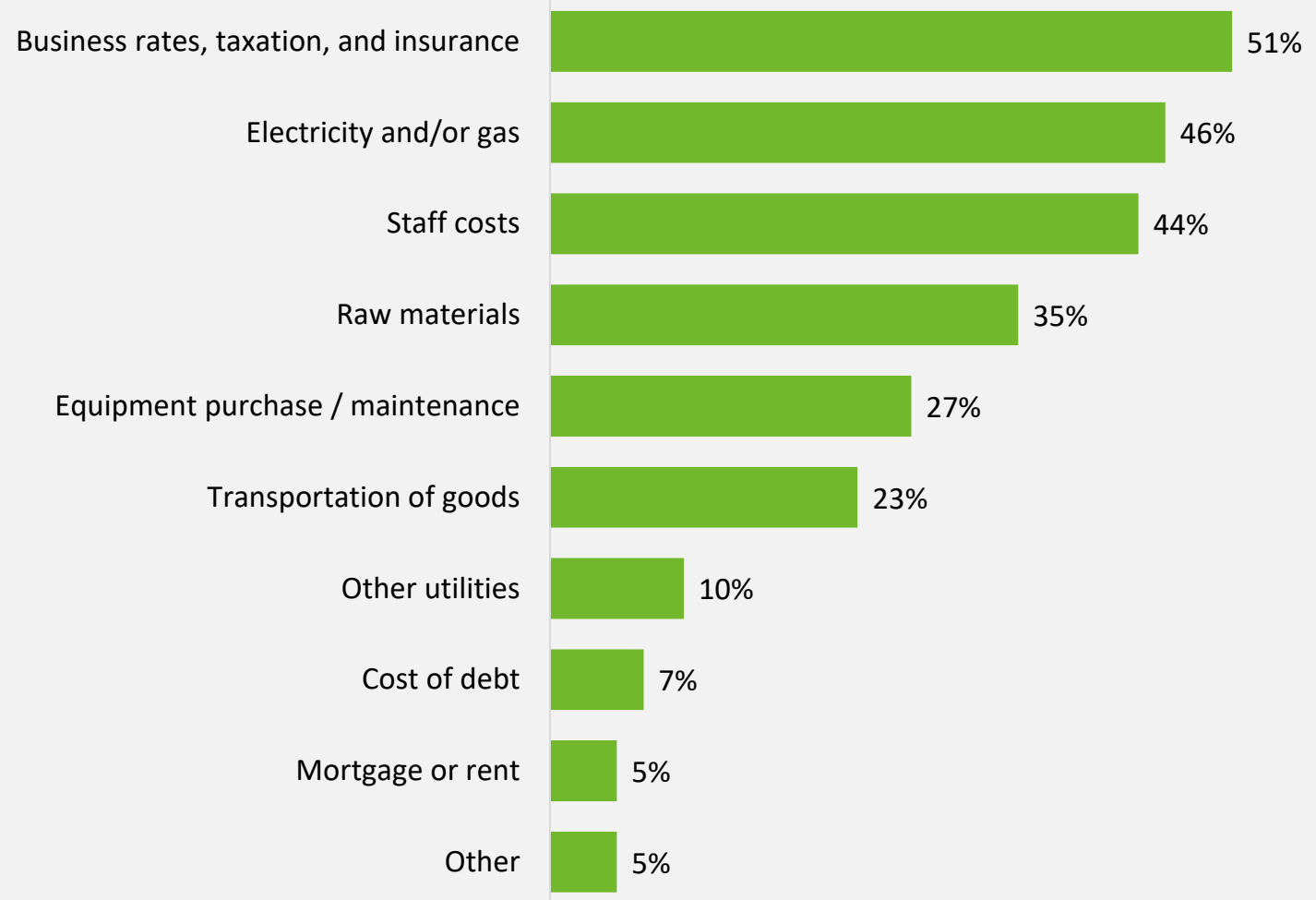
38% loss/reduction in demand

% inability to set prices for the coming year

COST INCREASES

Three-quarters (75%) of businesses said the increased cost of doing business was a significant challenge. For these businesses, the top three cost increases cited as having the biggest impact were business rates, taxation and insurance (51%), electricity and/or gas (46%), and staff costs (44%). Few businesses cited the cost of debt (7%) or mortgage or rent (5%) as having the biggest impact. A small proportion (5%) felt that none of the cost increases listed had impacted on their business.

Q. Which two or three cost increases are having the biggest impact on your business?



Base: All businesses who said the increased cost of doing business is a significant challenge (755)

COST INCREASES (2)

Certain businesses were more likely than others to say that specific cost increases were having an impact on their business.

More likely than average to cite specific cost increases:

Size

- 25+ staff: Staff costs (82%)
- 0-4 staff: Equipment purchase / maintenance (31%), Transportation of goods (28%)

Skills

- Do not have right level of skills: Staff costs (76%)

Sector

- Primary industries: Equipment purchase / maintenance (41%), Transportation of goods (32%), Cost of debt (11%)
- Accommodation and food: Electricity and/or gas (69%), Other utilities (22%)
- Arts and entertainment: Electricity and/or gas (64%), Other utilities (20%)
- Wholesale, retail and repairs: Electricity and/or gas (61%)
- Construction: Raw materials (59%)
- Professional, scientific and technical activities: Staff costs (57%)
- Manufacturing: Raw materials (51%), Mortgage or rent (11%)

Growth sector

- Financial and business services growth sector: Staff costs (61%)
- Sustainable tourism growth sector: Electricity and/or gas (60%), Staff costs (54%)
- Food and drink growth sector: Raw materials (47%), Equipment purchase / maintenance (37%)

Rurality

- Accessible rural: Business rates taxation and insurance (62%)
- Urban: Staff costs (53%)
- Remote rural: Transportation of goods (28%)

Mainland or Island

- Island businesses: Transportation of goods (31%)

Relationship with HIE

- HIE client-engaged: Staff costs (70%), Cost of debt (14%)

Economic outlook

- Not confident in the economic outlook for Scotland: Business rates taxation and insurance (58%)
- Confident in the economic outlook for Scotland: Transportation of goods (28%)

Growth aspiration

- Striving for growth: Business rates taxation and insurance (56%), Staff costs (55%)
- Want to downsize: Cost of debt (14%), Mortgage or rent (10%)

Staff

- Do not have enough staff: Staff costs (67%)

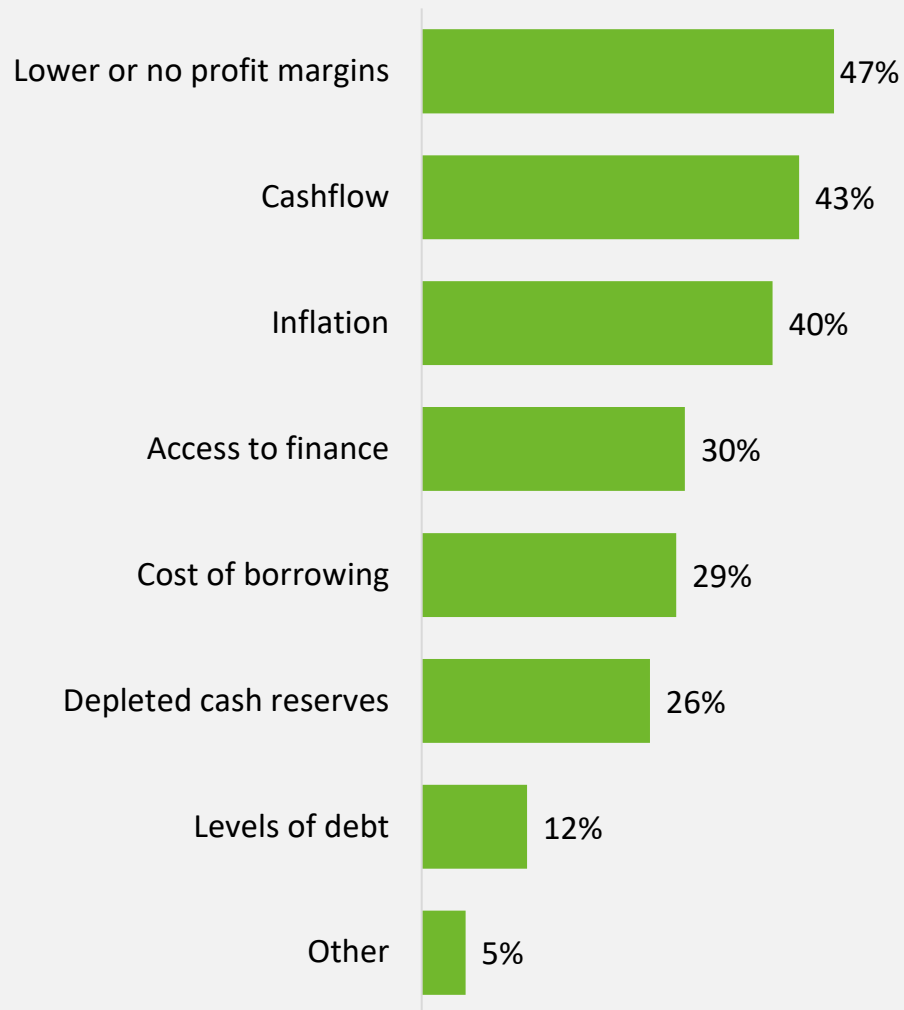
Recruitment

- Have sought to recruit staff: Staff costs (65%)
- Have not sought to recruit staff: Electricity and/or gas (52%), Raw materials (40%), Transportation of goods (28%)

FINANCIAL CONCERNS

Among businesses who said finance was a significant challenge (26%), the top three aspects of most concern were lower or no profit margins (47%), cashflow (43%), and inflation (40%).

Q. You said finance was a significant challenge. Which two or three aspects of finance are you most concerned about?



Base: All businesses who said finance is a significant challenge (258)

More likely than average to cite specific financial concerns:

Lower or no profit margins (47% overall)

- Content with current level of performance (62%*)

Cashflow (43%)

- Struggled in the past six months (54%)

Inflation (40%)

- Exporter (46%)

Access to finance (30%)

- Island businesses (40%)
- Striving for growth (35%)

Levels of debt (12%)

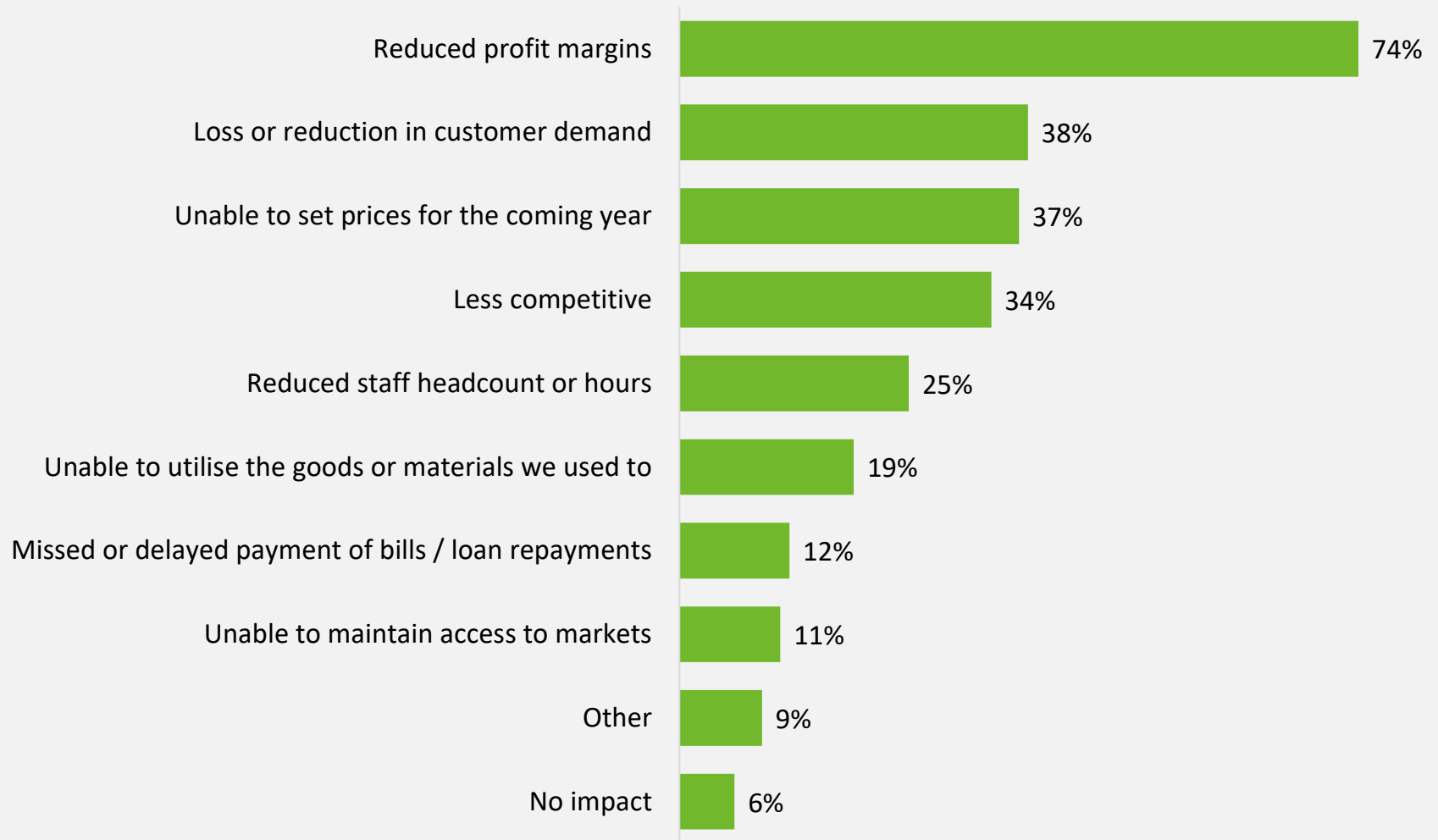
- Wanting to downsize (26%*)

*Low base size (<50 businesses).

IMPACT OF FINANCIAL CHALLENGES / INCREASED COST OF DOING BUSINESS

Among those who said that increased cost of doing business, or finance, were significant challenges, the most commonly cited impact of these challenges was reduced profit margins (cited by 74%). This was followed by a loss or reduction in customer demand (38%), an inability to set prices for the coming year (37%) and being less competitive (34%). Just 6% said these challenges had no impact.

Q. In what ways have financial challenges and/or increased cost of doing business challenges impacted on your business?



Base: All businesses who said increased cost of doing business or finance were a significant challenge (782)

IMPACTS OF FINANCIAL CHALLENGES / INCREASED COST OF DOING BUSINESS (2)

Certain businesses were more likely than others to cite specific impacts of financial challenges or the increased cost of doing business.

More likely than average to cite specific impacts:

Size

- 25+ staff: Reduced profit margins (84%), Reduced staff headcount or hours (43%)

Sector

- Construction: Unable to set prices for the coming year (52%), Missed or delayed payment of bills / loan repayments (20%)
- Wholesale, retail and repairs: Loss or reduction in customer demand (46%)
- Accommodation and food: Reduced staff headcount or hours (42%)
- Manufacturing: Unable to utilise the goods or materials we used to (29%), Unable to maintain access to markets (20%)
- Professional and scientific: Missed or delayed payment of bills / loan repayments (21%)
- Administrative and support services: Missed or delayed payment of bills / loan repayments (21%)
- IT, finance and real estate: No impact (15%)

Growth sector

- Sustainable tourism growth sector: Reduced staff headcount or hours (38%)
- Financial and business services growth sector: Missed or delayed payment of bills / loan repayments (28%)

Mainland or Island

- Island businesses: Unable to utilise the goods or materials we used to (25%)

Business performance

- Struggled in the past 6 months: Reduced profit margins (84%), Loss or reduction in customer demand (56%), Reduced staff headcount or hours (36%), Missed or delayed payment of bills / loan repayments (18%), Unable to maintain access to markets (16%)
- Performed well in the past 6 months: No impact (10%)

Skills

- Do not have the right level of skills: Reduced profit margins (83%)

Economic outlook

- Not confident in the economic outlook for Scotland: Reduced profit margins (81%), Loss or reduction in customer demand (47%), Unable to set prices for the coming year (43%), Reduced staff headcount or hours (30%)

Growth aspiration

- Striving for growth: Reduced staff headcount or hours (29%)
- Want to downsize: Reduced staff headcount or hours (35%), Unable to maintain access to markets (18%)

F. RESPONSE TO CHALLENGES

KEY FINDINGS

- Businesses who were experiencing a significant challenge (of any nature) most commonly reported having to delay or postpone increasing staff wages or benefits (29%).
 - Around a quarter said that they had delayed or postponed recruiting new staff (26%), delivering new capital projects/investments (25%), or developing new products or services (23%). However, three in ten (31%) said that they not had delayed or postponed any of the options.
- Among businesses who reported that they were experiencing at least one of the significant challenges listed (93%), more than half of those (55%) said they had, or were planning to, increase prices in response.
 - Around two-fifths had/were planning to make energy efficiency improvements (41%), and more than a third had/were planning to use cash reserves (36%) or adapt products or services (34%). Three in ten (30%) were sourcing alternative materials, goods or services.

29% of businesses experiencing a significant challenge said that they had delayed or postponed increasing staff wages or benefits

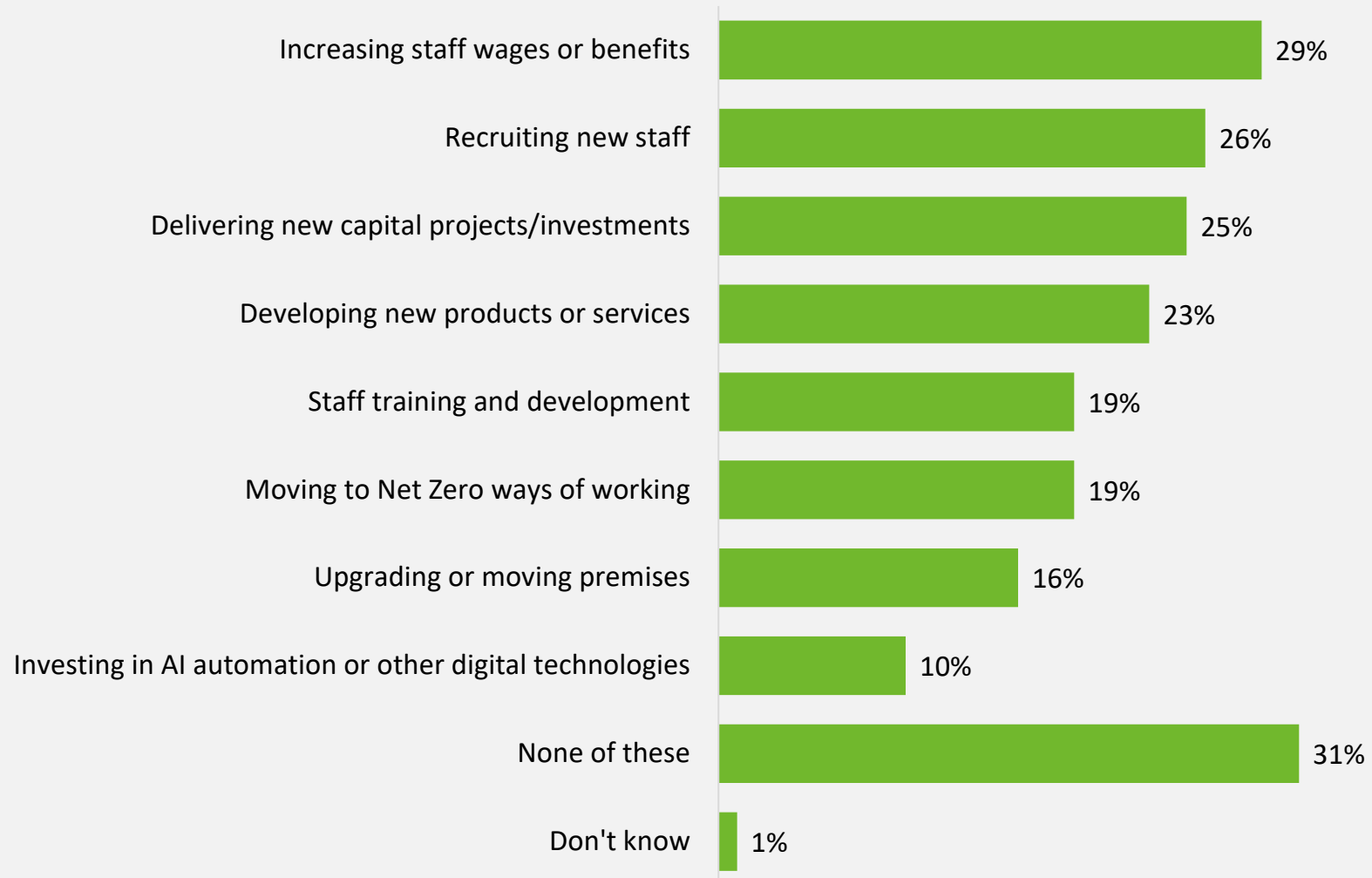
93% of businesses had experienced at least one significant challenge

55% of these said that they had, or were planning to increase prices in response

IMPACT OF CHALLENGES

Businesses who were experiencing a significant challenge most commonly reported having to delay or postpone increasing staff wages or benefits (29%). Around a quarter said that they had delayed or postponed recruiting new staff (26%), delivering new capital projects/investments (25%), or developing new products or services (23%). However, three in ten (31%) said that they not had delayed or postponed any of the options.

Q. Which of the following if any had you planned but are having to delay or postpone because of the significant challenges you are experiencing?



IMPACT OF CHALLENGES (2)

Certain businesses were more likely than others to say that the challenges they faced had meant delaying or postponing certain actions.

More likely than average to be delaying/postponing certain actions:

Economic outlook

- Not confident in the economic outlook for Scotland – staff wages or benefits (35%), recruiting new staff (29%), delivering new capital projects/investments (31%), moving to Net Zero ways of working (22%)

Sector

- Manufacturing – increasing staff wages or benefits (44%), developing new products or services (33%), staff training and development (32%), upgrading or moving premises (30%)
- Construction – recruiting new staff (39%)
- Wholesale, retail and repairs – upgrading or moving premises (26%)
- Accommodation and food - upgrading or moving premises (24%)
- Professional, scientific and technical activities - developing new products or services (31%), investing in AI automation or other digital technologies (17%)
- Administrative and support services – staff training and development (28%)
- Arts and entertainment – recruiting new staff (38%)

Growth sector

- Food and drink – delivering new capital projects/investments (38%)
- Financial and business services – developing new products or services (33%)
- Sustainable tourism – upgrading or moving premises (22%)

Growth aspiration

- Striving for growth - increasing staff wages or benefits (34%), recruiting new staff (32%), delivering new capital projects/investments (31%), developing new products or services (30%), staff training and development (25%), upgrading or moving premises (22%)

Business performance

- Struggled in past 6 months – increasing staff wages or benefits (40%), delivering new capital projects/investments (34%), recruiting new staff (33%), developing new products or services (28%), staff training and development (25%), upgrading or moving premises (25%)

Relationship with HIE

- HIE client-engaged – delivering new capital projects/investments (49%), increasing staff wages or benefits (46%), developing new products or services (34%), moving to net zero ways or working (32%)

Staff

- Do not have enough staff – recruiting new staff (45%), increasing staff wages or benefits (42%), developing new products or services (33%), staff training and development (33%), moving to net zero ways or working (24%)
- Businesses without the right level of skills were also more likely to be delaying/postponing these actions, as well as delivering new capital projects/investments (34%)

More likely than average to have experienced none of the listed impacts:

None of these (31% overall):

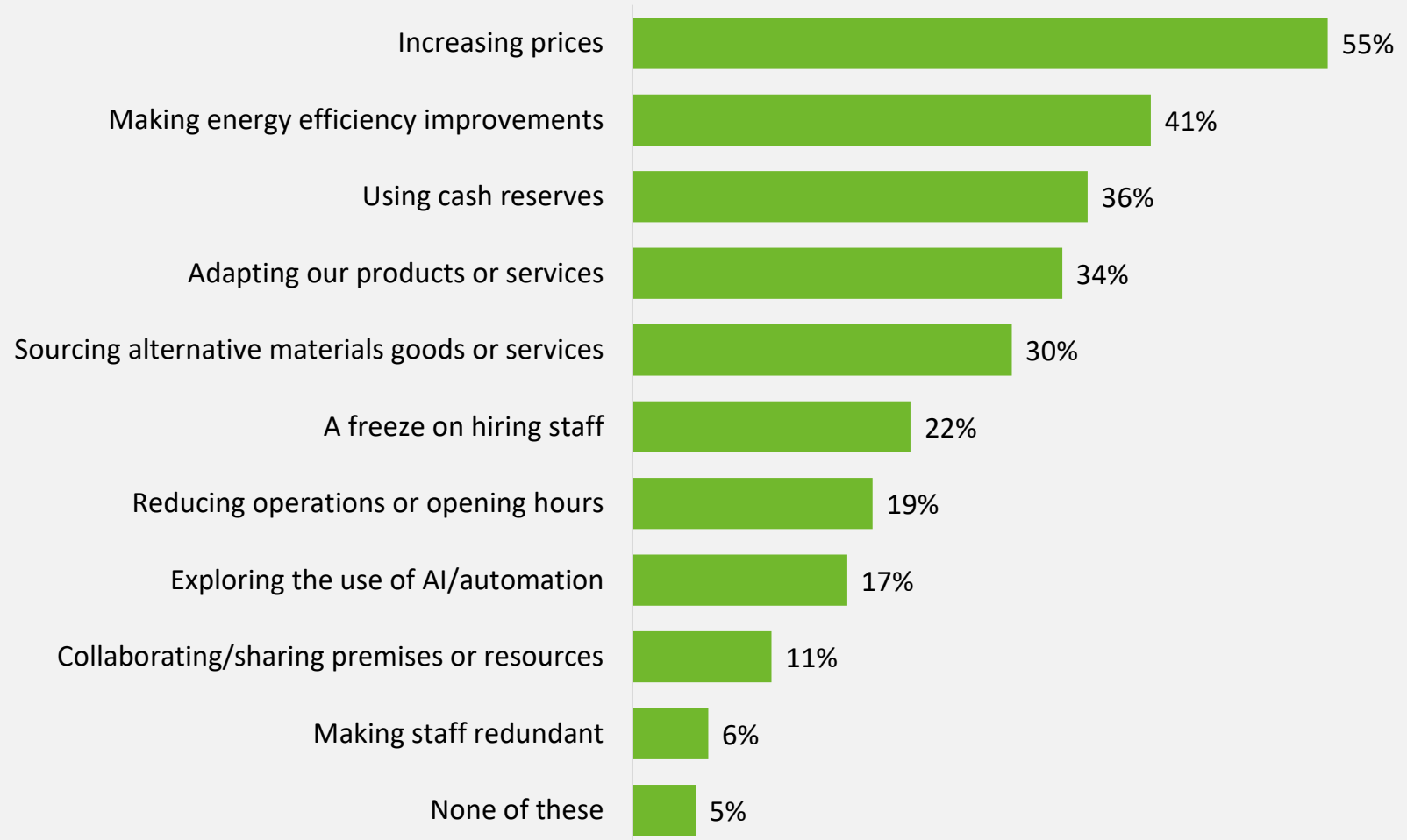
- Content with current level of performance (45%), Performed well in the past 6 months (40%), Have not sought to recruit staff (39%), Confident in the economic outlook for Scotland (38%)

This information is also shown in table format in the Appendix (slide 68).

RESPONDING TO CHALLENGES

Among businesses who reported that they were experiencing at least one of the significant challenges listed (93%), more than half (55%) said they had, or were planning to, increase prices in response. Around two-fifths had/were planning to make energy efficiency improvements (41%), and more than a third had/were planning to use cash reserves (36%) or adapt products or services (34%). Three in ten (30%) were sourcing alternative materials, goods or services. Three in ten (30%) were sourcing alternative materials, goods or services.

Q. Which of the following actions if any are you taking or planning to take in response to the challenges you are experiencing?



Base: All businesses experiencing a significant challenge (932)

RESPONDING TO CHALLENGES (2)

Certain businesses were more likely than others to say that they were responding to the challenges they faced in certain ways.

Certain actions were more commonly mentioned by:

Size

- 25+ staff – increasing prices (70%), reducing operations or opening hours (29%), exploring the use of AI/automation (29%), making staff redundant (12%)

Sector

- Manufacturing – increasing prices (73%), making staff redundant (12%)
- Construction – increasing prices (75%), sourcing alternative materials, goods or services (44%), a freeze on hiring staff (32%)
- Wholesale, retail and repairs – a freeze on hiring staff (29%)
- Accommodation and food services – increasing prices (66%), making energy efficiency improvements (54%), reducing operations or opening hours (33%)
- IT, finance and real estate – exploring the use of AI/automation (26%), collaborating/sharing premises or resources (19%)
- Professional, scientific and technical activities – adapting our products or services (43%), exploring the use of AI/automation (29%)
- Arts and entertainment – making energy efficiency improvements (58%), adapting products or services (49%), collaborating/sharing premises or resources (22%)

Growth aspiration

- Striving for growth – making energy efficiency improvements (45%), using cash reserves (41%), adapting products or services (42%), exploring the use of AI/automation (23%), collaborating/sharing premises (15%)
- Looking to downsize – freeze on hiring staff (36%), reducing operations or opening hours (39%)

Location

- Urban – increasing prices (60%), freeze on hiring staff (26%), exploring the use of AI/automation (22%)

Client engagement

- HIE client-engaged – increasing prices (69%), making energy efficiency improvements (62%), making staff redundant (13%)

Economic confidence

- Not confident in the economy – using cash reserves (41%), freeze on hiring staff (28%), reducing operations or opening hours (26%)

Performance

- Struggled in past six months – using cash reserves (49%), freeze on hiring staff (32%), reducing operations or opening hours (30%), making staff redundant (12%)

This information is also shown in table format in the Appendix (slide 69). The Appendix (slide 70) also shows that certain actions were more common amongst businesses experiencing specific significant challenges.

G. WORKFORCE AND RECRUITMENT

KEY FINDINGS

- Among businesses who said workforce was a significant challenge (31%), recruiting staff was the top concern (cited by 63%). This was followed by the cost of labour (44%), the ability to pay competitive wages (31%), and retaining staff (30%).
- Around seven in ten employers (69%) had enough staff to fill all the roles they needed, and a higher proportion (79%) currently had the right level of skills in the business. 37% of employers had a skills or staff gap (either they did not have enough staff or the right level of skills).
- 46% of businesses had sought to recruit in the past year, rising to 82% among businesses who either did not have enough staff or the right level of skills in their business.
- Among businesses who did not have the right level of staff or skills but had not been recruiting, almost two-thirds said that this was because wage costs were too high (63%).
- Among businesses who had been recruiting but still said they did not have the right level of staff or skills, the primary reasons for this were that there had been few or no applicants (61%) or that applicants had not been of sufficient quality (61%).
- Among businesses who had been recruiting and had encountered problems with the quality of applicants, around three-quarters said that these applicants had been lacking the skills they were looking for (74%) or that applicants tended to have poor attitude or motivation (73%).
- Businesses were most likely to think that applicants had turned down positions offered to them because of a lack of accommodation in their area (48%), the location of the business (44%), poor transport connections (38%), unappealing working hours or patterns (38%), or level of pay (33%).
- The roles that businesses had found most difficult to fill were skilled trades and craftspeople (36%), general labourers (27%), and hospitality and service workers (18%).
- The most commonly reported impact experienced by businesses who did not have the right level of staff or skills was increased workload for existing staff, cited by 80% of these businesses. This was followed by difficulties meeting customer service objectives (40%), losing business to competitors (35%), difficulties meeting quality standards (25%), and having to outsource work (25%).

30% of employers do not have enough staff to fill all the roles they need

20% of employers do not have the right level of skills in the business

46% of businesses had sought to recruit staff in the past year

WORKFORCE CONCERNS

Around three in ten (31%) businesses said workforce issues were a significant challenge. Of these businesses, recruiting staff was the top workforce concern (cited by 63%). This was followed by the cost of labour (44%), the ability to pay competitive wages (31%), and retaining staff (30%).

Q. You said workforce issues were a significant challenge. Which two or three aspects of your workforce are you most concerned about?



Base: All businesses who said workforce issues were a significant challenge (315)

More likely than average to cite specific impacts:

Size

- 25+ staff: Access to migrant labour (25%*)

Sector

- Construction: Skills gaps (45%*)
- Professional, scientific and technical activities: Ability to recruit graduates or apprentices (25%*)

Growth sector

- Financial and business services growth sector: Ability to recruit graduates or apprentices (25%*)

Rurality

- Urban: Retaining staff (39%)

Mainland or Island

- Mainland businesses: Skills gaps (27%)

Recruitment

- Have not sought to recruit staff: Cost of labour (59%)

Economic outlook

- Not confident in the economic outlook for Scotland: Cost of labour (50%), Ability to pay competitive wages (36%), Cost of / access to training (14%)

Skills

- Do not have the right level of skills: Skills gaps (30%)

Growth aspiration

- Striving for growth: Skills gaps (26%), Cost of / access to training (13%), Staff wellbeing (11%)

*Low base size (<50 businesses).

WORKFORCE NUMBERS AND SKILLS

Around seven in ten employers (69%) had enough staff to fill all the roles they needed, while three in ten (30%) did not. A higher proportion (79%) currently had the right level of skills in the business, while one in five (20%) did not.

37% of employers either did not have enough staff or the right level of skills.

12% of employers had neither enough staff, nor the right level of skills in their business.

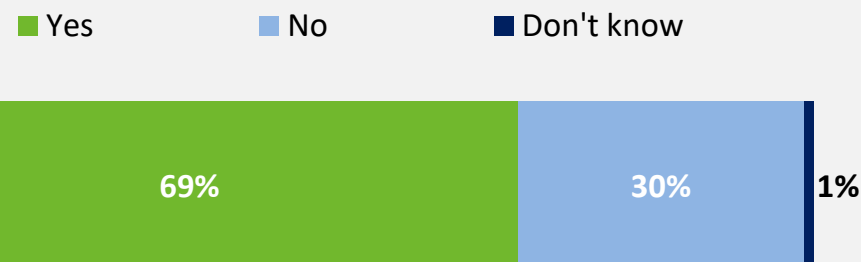
More likely than average to not have enough staff:

- 25+ staff (45%)
- HIE client-engaged (43%)
- Have sought to recruit staff (42%)
- Striving for growth (34%)

More likely than average to not have the right level of skills:

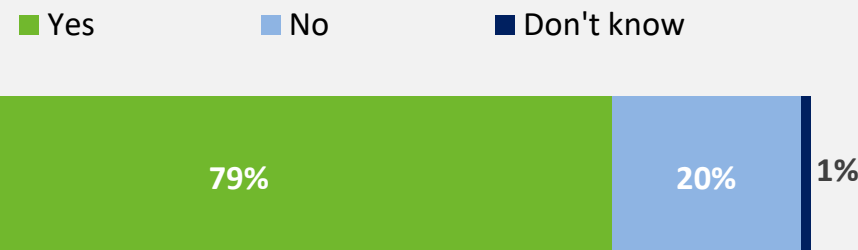
- 25+ staff (36%)
- HIE client-engaged (36%)
- Financial and business service growth sector (32%)
- Sustainable tourism growth sector (28%)
- Have sought to recruit staff (28%)
- Striving for growth (28%)
- Struggled in the past 6 months (26%)
- Not confident in the economic outlook for Scotland (26%)

Q. Do you currently have enough staff to fill all the roles you need?



Base: All employers: 777

Q. Do you currently have the right level of skills in the business?

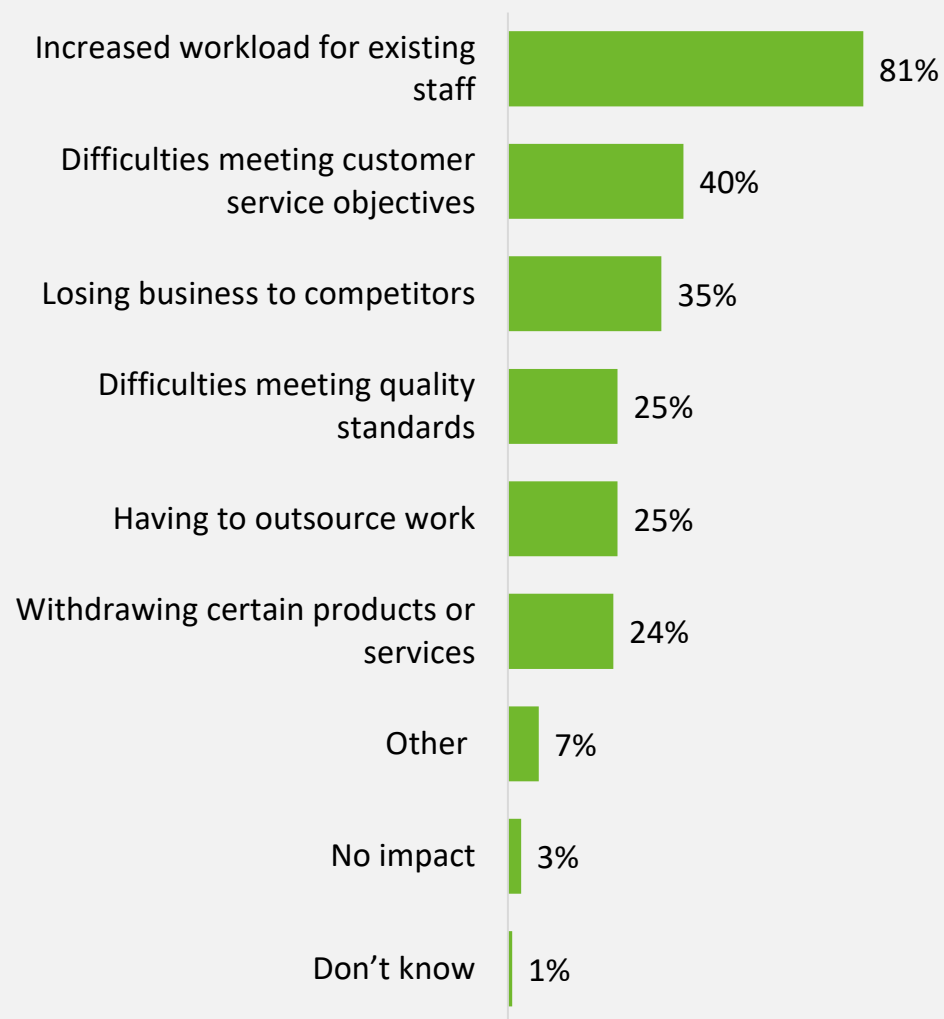


Base: All employers: 777

IMPACTS OF NOT HAVING REQUIRED LEVEL OF STAFF OR SKILLS

The most commonly reported impact experienced by businesses who did not have the right level of staff or skills was increased workload for existing staff, cited by 80% of these businesses. This was followed by difficulties meeting customer service objectives (40%), losing business to competitors (35%), difficulties meeting quality standards (25%), having to outsource work (25%) and withdrawing certain products or services (24%).

Q. Which if any of the following impacts is your business experiencing as a result of not having the required level of staff or skills in your business?



Base: All businesses who do not have the right level of staff or skills (294)

More likely than average to cite specific impacts:

Losing business to competitors (35%)

- Construction (59%*)
- Urban (44%)
- Not confident in the economic outlook for Scotland (41%)

Difficulties meeting quality standards (25%)

- Accommodation and food services (49%*)
- Sustainable tourism growth sector (45%*)
- Do not have the right level of skills (35%)

Withdrawing certain products or services (24%)

- Island businesses (31%)

*Low base size (<50 businesses).

RECRUITMENT

46% of businesses had sought to recruit staff in the past year, while a slightly higher proportion (52%) had not.

82% of employers who either did not have enough staff, or the right level of skills, had sought to recruit staff in the past year.

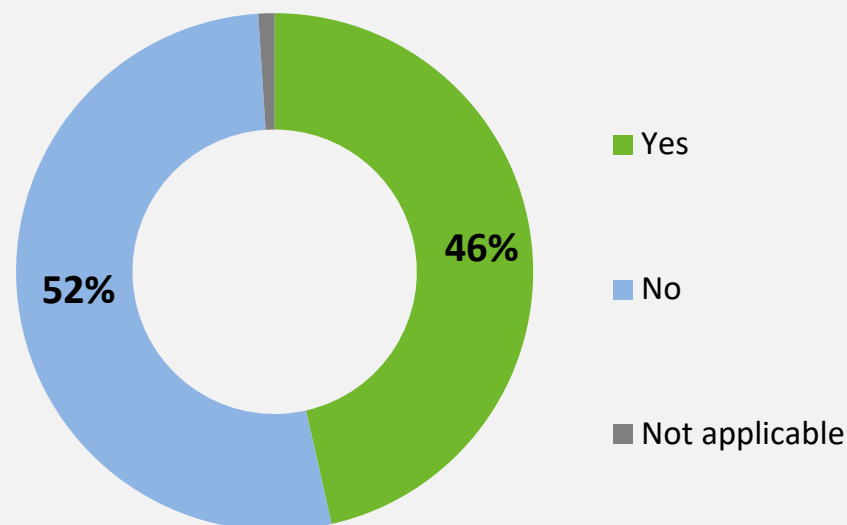
More likely than average to have sought to recruit staff :

- 25+ staff (93%)
- HIE client-engaged (80%)
- Transport and storage (64%*)
- Manufacturing (63%)
- Striving for growth (63%)
- Sustainable tourism growth sector (62%)
- Accommodation and food (59%)
- Arts and entertainment (58%)

More likely than average not to have sought to recruit staff :

- 0-4 staff (73%)
- Wanting to downsize (72%)
- Food and drink growth sector (67%)
- Creative industries growth sector (65%)
- Content with current level of performance (64%)
- Primary industries (63%)
- Remote rural (57%)

Q. Over the past year since October 2024 have you sought to recruit staff?



Base: All businesses (1,005)

*Low base (<50 businesses).

REASONS FOR NOT RECRUITING

Among businesses who did not have the right level of staff or skills and had not been recruiting (5% of all businesses), almost two-thirds said that this was because wage costs were too high (63%). This was followed by it not being a current priority (43%), and that they were looking to upskill or use existing staff in different ways (41%). Fewer businesses were collaborating to access resource/skills (15%) or had reduced their offering/operating hours (12%).

The base size for this question (49) is too low for further subgroup analysis.

Q. You said that you don't currently have the required level of staff or skills in your business and have not sought to recruit in the past year. What are the reasons you have not sought to recruit staff?



Base: All businesses who do not have the right level of staff or skills and have not been recruiting (49)

REASONS FOR NOT HAVING REQUIRED LEVEL OF STAFF OR SKILLS

Among businesses who had been recruiting but still said they did not have the right level of staff or skills (24% of all businesses), the primary reasons for this were that there had been few or no applicants (61%) or that applicants had not been of sufficient quality (61%). However, half of these businesses (50%) said that recruitment was still ongoing.

Q. You said that you had sought to recruit staff in the last year but also that you don't currently have the required level of staff or skills in your business. What are the primary reasons for this?



Base: All businesses who do not have the right level of staff or skills and have been recruiting (241)

More likely than average to have cited specific reasons:

Sector

- Wholesale, retail and repairs* – there have been few or no applicants (91%)

Rurality

- Urban – there have been few or no applicants (70%), applicants have not accepted positions offered to them (27%).

Business confidence

- Confident in the economic outlook for Scotland – recruitment is still ongoing (60%)

Recruitment

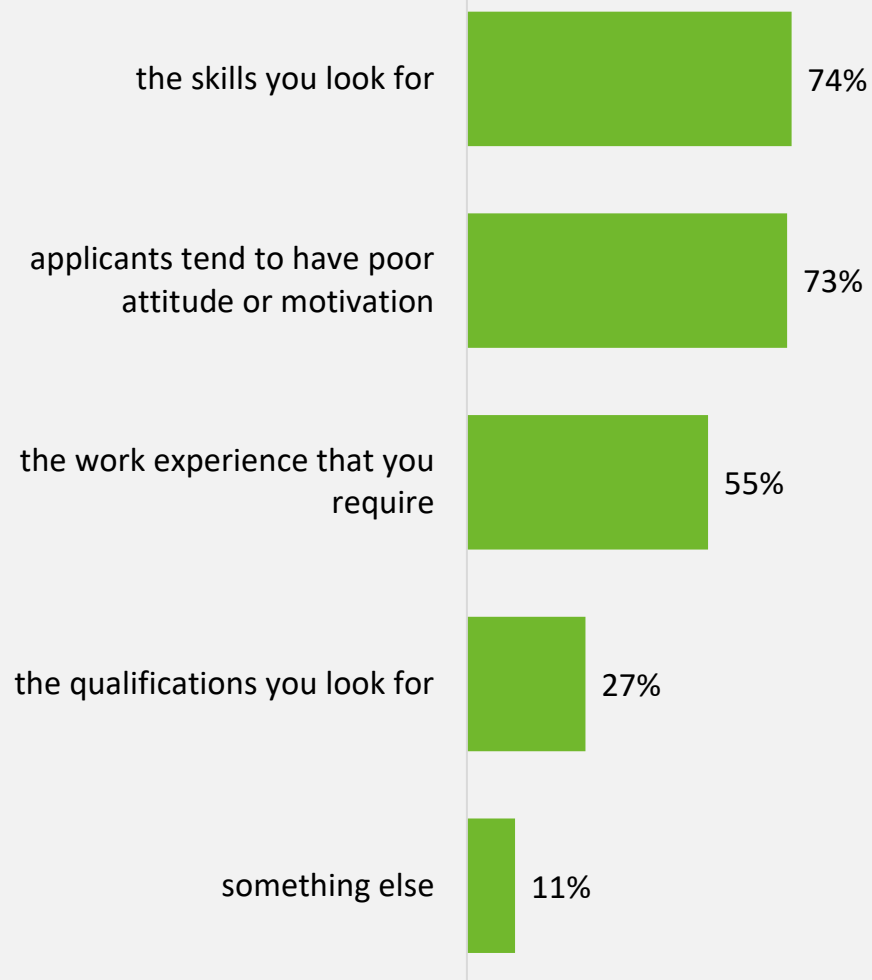
- Recruitment still ongoing – applicants have not accepted positions offered to them (28%)

*Low base size (<50 businesses).

QUALITY OF APPLICANTS

Among businesses who had been recruiting and had encountered problems with the quality of applicants (14% of all businesses), around three quarters said that these applicants had been lacking the skills they were looking for (74%) or that applicants tended to have poor attitude or motivation (73%). Just over half said that applicants lacked the required work experience (55%), while around a quarter lacked the qualifications they were looking for (27%).

Q. You said that you have had problems with the quality of applicants. Would you say that they have been lacking...



Base: All businesses who had applicants who have not been of sufficient quality (144)

More likely than average to have cited specific reasons:

Applicants tend to have poor attitude or motivation

- Performed well in the past 6 months (91%*)
- Urban (89%)

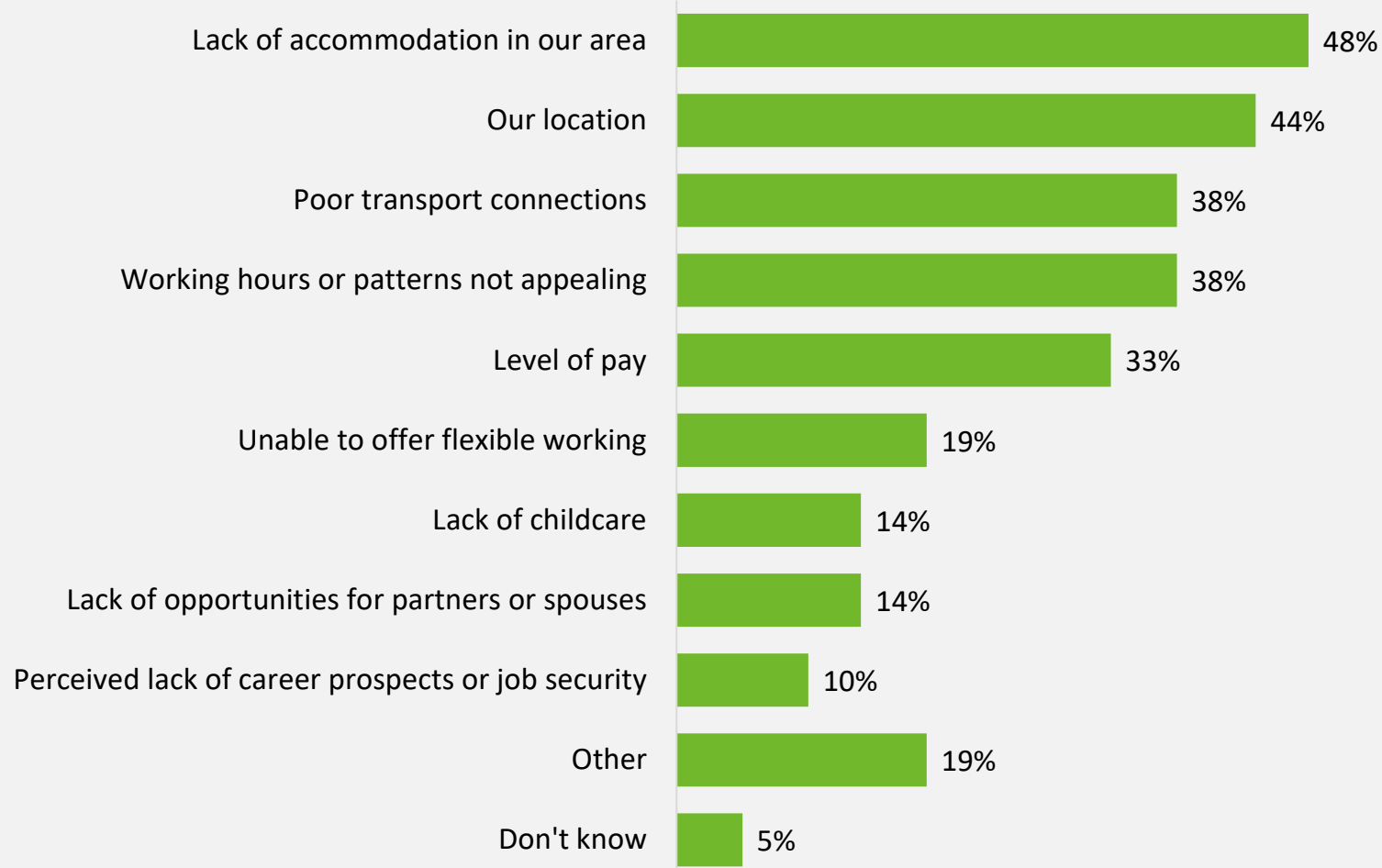
*Low base size (<50 businesses).

APPLICANTS TURNING DOWN POSITIONS

The most commonly reported reasons for applicants turning down positions offered to them were a lack of accommodation in their area (48%), the location of the business (44%), poor transport connections (38%), unappealing working hours or patterns (38%) or level of pay (33%).

The base size for this question (45) is too low for further subgroup analysis.

Q. What would you say are the reasons why applicants have turned down the positions you have offered to them?

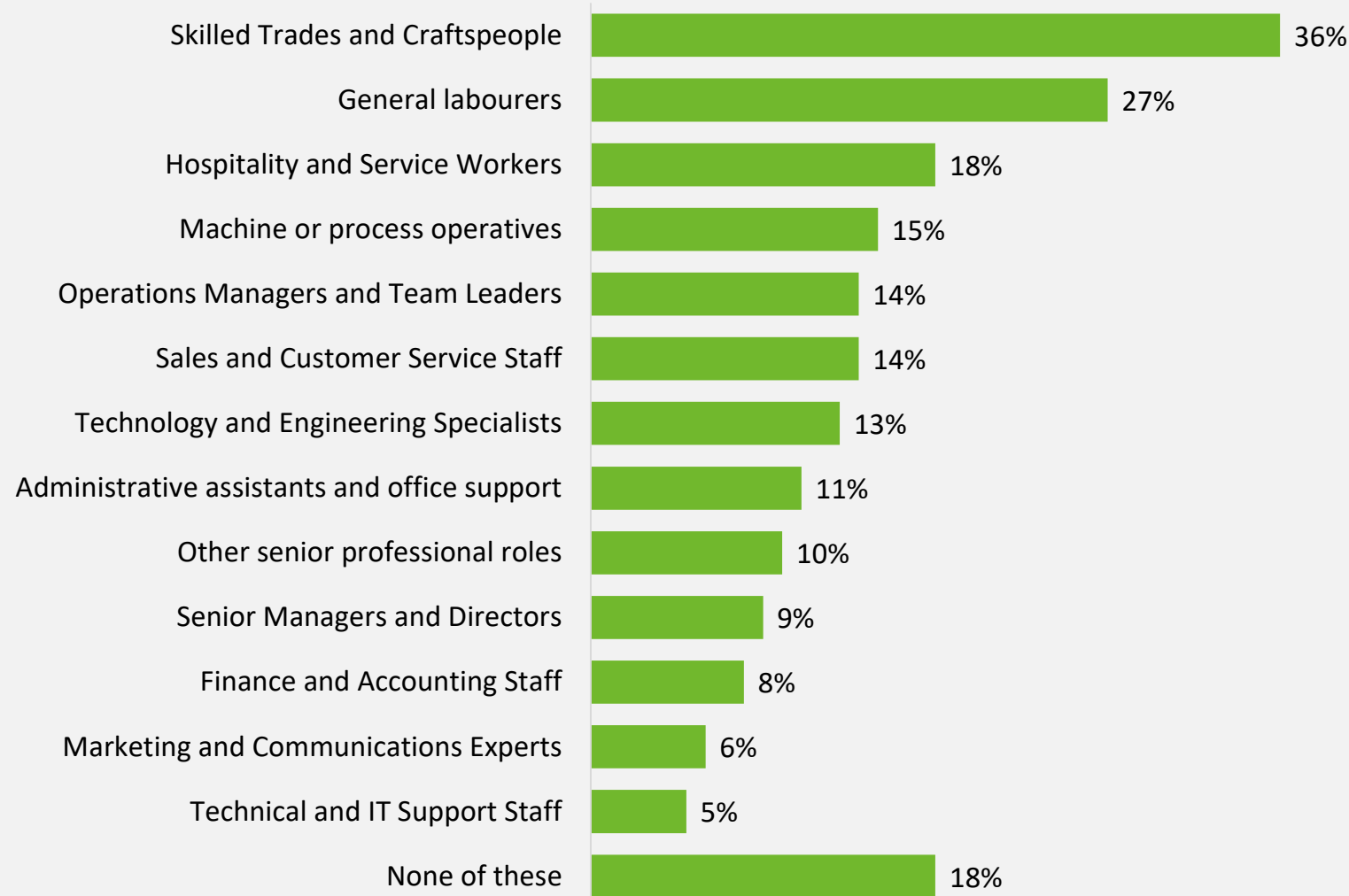


Base: All businesses who have had applicants turn down positions offered to them (45)

MOST DIFFICULT ROLES TO FILL

Of businesses that had sought to recruit in the last year, the roles they had most commonly found difficult to fill were skilled trades and craftspeople (36%), general labourers (27%). Fewer businesses said they had struggled to recruit marketing and communications experts (6%), or technical and IT support staff (5%), while 18% had not found it difficult to recruit into any of the positions listed.

Q. Which if any of the following roles have you found difficult to fill when recruiting staff?



Base: All businesses who have sought to recruit staff (476)

NOTES:

Businesses were not asked whether they had tried to recruit into these roles.

ROLES DIFFICULT TO FILL (2)

Certain businesses were more likely than others to say that they found it difficult to recruit into specific roles. In some cases, this variation is a natural reflection of the type of roles that businesses in different sectors are likely to be recruiting for.

More likely than average to have found it difficult to recruit into specific positions:

Size

- 25+ staff: Skilled trades and craftspeople (46%), Operations managers and team leaders (27%), Machine or process operatives (26%), Technology and engineering specialists (21%), Senior managers and directors (16%), Finance and accounting staff (14%)

Sector

- Accommodation and food services: Hospitality and service workers (77%)
- Construction: Skilled trades and craftspeople (77%)
- Primary industries: General labourers (48%), Machine or process operatives (31%)
- Administrative and support services: Operations managers and team leaders (31%)
- Arts and entertainment: None of these (31%*), Finance and accounting staff (16%)
- Wholesale, retail and repairs: Sales and customer service (41%)
- Financial and business services growth sector: Technology and engineering specialists (30%*), Administrative assistances and office support (20%*), Other senior professional roles (20%*)
- Professional, scientific and technical activities: Technology and engineering specialists (25%)

Growth sector

- Sustainable tourism growth sector: Hospitality and service workers (61%)
- Food and drink growth sector: General labourers (48%), Machine or process operatives (30%)

Rurality

- Remote rural: General labourers (32%), Hospitality and service workers (22%)
- Urban: Sales and customer service (19%), Technology and engineering specialists (17%)
- Accessible rural: Machine or process operatives (23%)

Growth aspiration

- Striving for growth: Finance and accounting staff (10%)

Skills

- Do not have the right level of skills: Skilled trades and craftspeople (48%)
Operations managers and team leaders (25%)
- Have right level of skills: None of these (22%)

Relationship with HIE

- HIE client-engaged: Operations managers and team leaders (30%*), Senior managers and directors (23%*), Technical and IT support staff (13%*)

*Low base size (<50 businesses).

H. APPRENTICES AND GRADUATES

KEY FINDINGS

- Among businesses who had sought to recruit staff, more than half had recruited young people (63%), unskilled workers to train in-house (61%), and skilled roles (61%). Three in ten (30%) had recruited apprenticeships and 15% had recruited into graduate positions.
- Businesses were, on the whole, more positive than negative about their experiences recruiting into apprenticeships and graduate positions. 46% were positive about recruiting apprentices (33% negative), and 41% were positive about recruiting into graduate positions (25% negative), and
- Among businesses who had sought to recruit staff, the most commonly reported reason for *not* having tried to recruit for graduate positions or apprenticeships in the past year was that they were not needed (68%). 40% said that they were upskilling existing staff instead.

30% had recruited into apprenticeships

15% had recruited into graduate positions

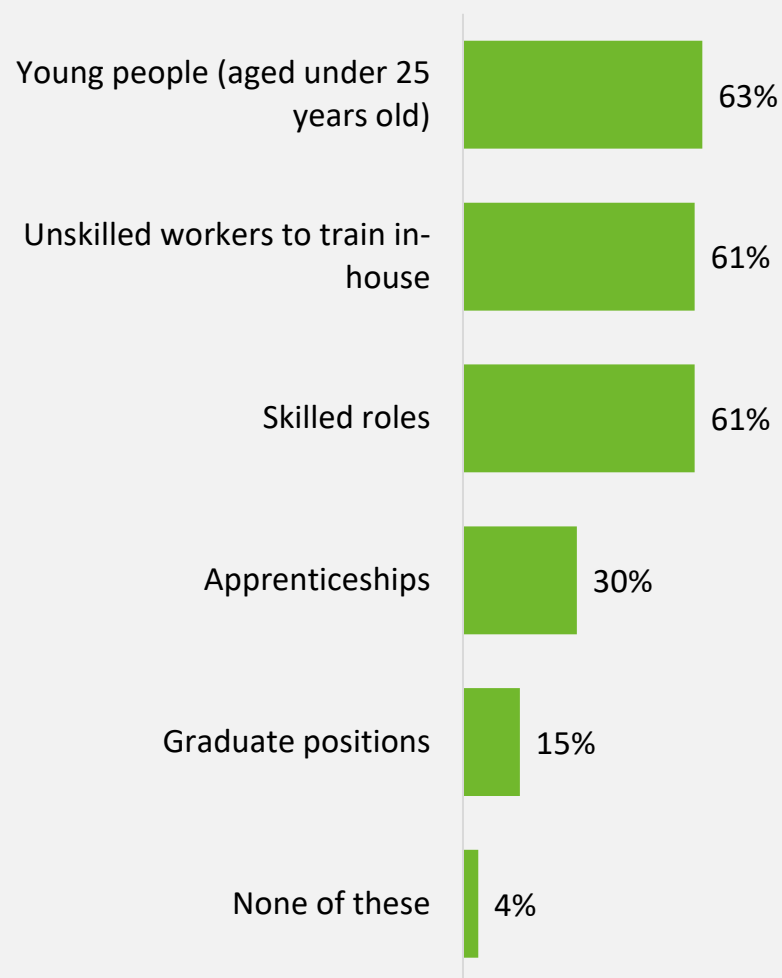
46% were positive about recruiting into apprenticeships

41% were positive about recruiting into graduate positions

RECRUITMENT LEVELS

Among businesses who had tried to recruit staff, more than half had tried to recruit young people (63%), unskilled workers to train in-house (61%), and for skilled roles (61%). Three in ten (30%) had tried to recruit into apprenticeships, while fewer (15%) had tried to recruit into graduate positions.

Q. Have you tried to recruit for any of the following in the past year?



Base: All businesses who have sought to recruit staff (476)

More likely than average to have recruited specific staff:

Young people aged under 25 (63% overall)

- Accommodation and food services (80%), Sustainable tourism (76%), 25+ staff (75%), Wholesale, retail and repairs (74%), Do not have the right level of skills (72%)

Unskilled workers to train in-house (61%)

- 25+ staff (77%), Sustainable tourism (74%), Accommodation and food (73%), Do not have the right level of skills (70%)

Skilled roles (61%)

- 25+ staff (82%), HIE client-engaged (75%), Do not have enough staff (71%), Do not have the right level of skills (71%), Striving for growth (65%)

Apprenticeships (30%)

- Construction (63%), 25+ staff (42%), Do not have enough staff (%)

Graduate positions (15%)

- Professional, scientific and technical (44%), Finance and business services (34%*), Administrative and support services (28%), HIE client-engaged (26%), Do not have the right level of skills (24%), Do not have enough staff (20%)

*Low base size (<50 businesses).

RECRUITMENT OF APPRENTICES AND GRADUATES

Businesses were, on the whole, more positive than negative about their experiences recruiting into apprenticeships and graduate positions. 46% were positive about recruiting apprentices (33% negative), and 41% were positive about recruiting into graduate positions (25% negative).

Of the 46% positive about recruiting apprenticeships, 14% were very positive while 32% were fairly positive. 21% were fairly negative, while 12% were very negative.

Of the 41% positive about recruiting into graduate positions, 14% were very positive while 27% were fairly positive. 15% were fairly negative, while 10% were very negative.

More positive about recruiting apprentices (46% overall)

- Have enough staff (57%)
- Have right level of skills (56%)
- Confident about the economic outlook for Scotland (55%)

More negative about recruiting apprentices (33% overall)

- Do not have right level of skills (53%*)
- Do not have enough staff (45%)
- Not confident about the economic outlook for Scotland (43%)

More positive about recruiting into graduate positions (41% overall)

- No significant differences

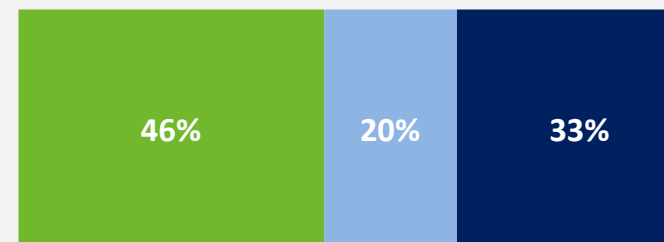
More negative about recruiting into graduate positions (25% overall)

- Do not have enough staff (38%*)

Q. To what extent are you positive or negative about your experiences of recruiting into graduate positions/apprentices?

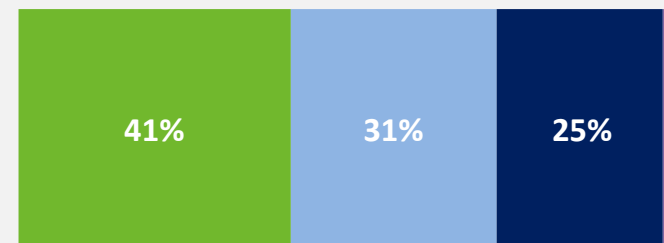
■ Positive ■ Neither positive nor negative ■ Negative ■ Don't know

Apprentices



Base: All businesses who are offering apprenticeships (134)

Graduate positions



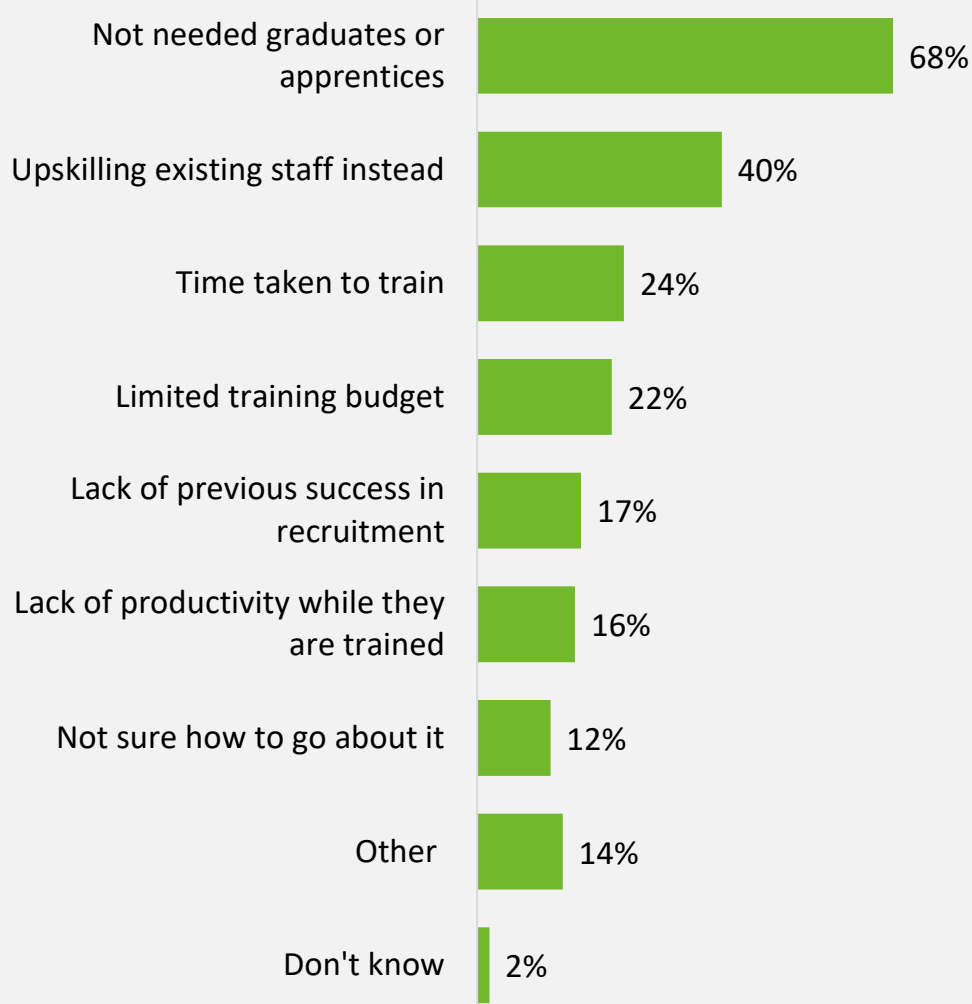
Base: All businesses who are offering graduate positions (72)

*Low base size (<50 businesses).

REASONS FOR NOT RECRUITING GRADUATES OR APPRENTICES

Among businesses who had sought to recruit staff, the most commonly reported reason for not having tried to recruit for graduate positions or apprenticeships in the past year was that they were not needed (68%). This was followed by upskilling existing staff instead (40%), time taken to train graduates/apprentices (24%), and limited training budget (22%).

Q. What are the main reasons you have not tried to recruit for graduate positions or apprenticeships in the past year?



Base: All businesses not recruiting into graduate positions or apprenticeships (297)

More likely than average to have cited specific reasons:

Business size

- 25+ staff* – upskilling existing staff (57%)
- 0-4 staff – time taken to train (31%)

Sector

- Accommodation and food services – not needed graduates or apprentices (82%)

Rurality

- Accessible rural* – time taken to train (40%), lack of productivity while they are trained (28%)

Business performance

- Performed well in the past 6 months – not sure how to go about it (18%)
- Struggled in the past 6 months – lack of previous success in recruitment (25%)

Staff

- Have enough staff – not needed graduates or apprentices (73%)
- Do not have enough staff – lack of previous success in recruitment (26%), and another reason not listed - 'Other' (23%)

*Low base size (<50 businesses).

I. APPENDIX

IMPORT MARKETS - BY SECTOR 1

		Sector				
Import markets	Average (%)	Primary industries	Manufacturing	Construction	Wholesale, retail and repairs	Transport and storage
Scotland	93	98	92	93	92	97
Rest of UK	79	76	87	78	87	83
Outside the UK	34	34	57	21	39	46
<i>Net importer</i>	80	76	91	79	87	83
<i>Net domestic only</i>	17	23	9	18	12	14
<i>Base</i>	1,005	171	69	110	141	35

NOTES

*Darker shaded cells are figures that are higher than the average (where the difference is statistically significant).

IMPORT MARKETS - BY SECTOR 2

		Sector				
Import markets	Average (%)	Accommodation and food services	IT, finance and real estate	Professional, scientific and technical activities	Administrative and support services	Arts and entertainment
Scotland	93	98	81	85	91	91
Rest of UK	79	83	77	74	76	81
Outside the UK	34	32	31	30	36	
<i>Net importer</i>	80	83	78	76	80	81
<i>Net domestic only</i>	17	15	10	17	19	14
<i>Base</i>	1,005	121	69	134	75	80

NOTES

*Darker shaded cells are figures that are higher than the average (where the difference is statistically significant).

IMPORT MARKETS - BY GROWTH SECTOR

		Sector			
	Average (%)	Food and drink	Financial and business services	Tourism	Creative industries
Import markets					
Scotland	93	97	85	97	85
Rest of UK	79	80	68	83	83
Outside the UK	34	37	29	37	41
<i>Net importer</i>	80	81	72	84	86
<i>Net domestic only</i>	17	18	20	14	12
<i>Base</i>	1,005	175	92	131	66

NOTES

*Darker shaded cells are figures that are higher than the average (where the difference is statistically significant). Energy and Life sciences are excluded due to the low base sizes.

EXPORT MARKETS - BY SECTOR 1

		Sector				
Export markets	Average (%)	Primary industries	Manufacturing	Construction	Wholesale, retail & repairs	Transport & storage
Scotland	97	96	97	98	99	100
Rest of UK	46	37	68	21	40	60
Outside the UK	26	15	38	3	17	31
<i>Net exporter</i>	48	39	70	21	41	60
<i>Net domestic only</i>	51	58	30	78	59	40
<i>Base</i>	1,005	171	69	110	141	35

NOTES

*Darker shaded cells are figures that are higher than the average (where the difference is statistically significant). .

EXPORT MARKETS - BY SECTOR 2

		Sector				
	Average (%)	Accommodation & food service activities	IT, finance and real estate	Professional, scientific & technical services	Administrative and support services	Arts and entertainment
Export markets						
Scotland	97	99	96	97	97	96
Rest of UK	46	75	58	56	55	45
Outside the UK	26	72	38	25	28	40
<i>Net exporter</i>	48	76	60	57	56	46
<i>Net domestic only</i>	51	23	39	43	43	50
<i>Base</i>	1,005	171	69	134	75	80

NOTES

*Darker shaded cells are figures that are higher than the average (where the difference is statistically significant).

EXPORT MARKETS - BY GROWTH SECTOR

		Growth Sector			
Export markets	Average (%)	Food and drink	Financial and business services	Tourism	Creative industries
Scotland	97	96	96	99	97
Rest of UK	46	41	62	76	64
Outside the UK	26	17	27	69	36
<i>Net exporter</i>	48	43	63	76	64
<i>Net domestic only</i>	51	54	37	23	36
<i>Base</i>	1,005	175	92	131	66

NOTES

*Darker shaded cells are figures that are higher than the average (where the difference is statistically significant). Energy and Life sciences are excluded due to the low base sizes.

RESPONSES TO CHALLENGES- BY GROWTH SECTOR

		Growth Sector			
Response	Average (%)	Food and drink	Financial and business services	Tourism	Creative industries
Increasing prices	55	39	54	64	50
Making energy efficiency improvements	41	48	29	54	30
Adapting our products or services	34	25	44	42	35
Reducing operations or opening hours	19	15	11	30	16
Exploring the use of AI / automation	17	15	28	19	26
Base	932	166	80	129	56

NOTES

*Darker shaded cells are figures that are higher than the average (where the difference is statistically significant). Energy and Life sciences are excluded due to the low base sizes.

IMPACT OF CHALLENGES VARIATION

Businesses more likely than average to say the challenges they faced had meant delaying/postponing certain actions:

		Increasing staff wages/benefits	Recruiting new staff	Delivering new capital projects/investments	Developing new products/services	Staff training/development	Moving to Net Zero ways of working	Upgrading/moving premises	Investing in AI/automation/digital technologies
Total		29%	26%	25%	23%	19%	19%	16%	10%
Sector	Manufacturing	44%			33%	32%		30%	
	Construction		39%						
	Wholesale, retail and repairs							26%	
	Accommodation and food services							24%	
	Professional, scientific and technical activities				31%				17%
	Admin. and support services					28%			
	Arts and entertainment		38%						
Growth Sector	Food and drink			38%					
	Finance and business services				33%				
	Sustainable tourism							22%	
Growth aspirations	Striving for growth	34%	32%	31%	30%	25%		22%	
Performance	Struggled in past 6 months	40%	33%	34%	28%	25%		25%	
Relationship with HIE	HIE-client engaged	46%		49%	34%		32%		
Staff and Skills	Do not have enough staff	42%	45%		33%	33%	24%		
	Don't have the right level of skills	46%	43%	34%	43%	43%	26%		
Economic outlook	Not confident in the economic outlook for Scotland	34%	29%	31%			22%		

More likely than average to have experienced none of the listed impacts: Content with current level of performance (45%), performed well in the past 6 months (40%), Have not sought to recruit staff (39%), Confident in the economic outlook for Scotland (38%).

NOTES

Shaded cells are figures that are higher than the average (where the difference is statistically significant).

RESPONDING TO CHALLENGES VARIATION 1

Businesses more likely than average to say that they were responding to the challenges they faced in certain ways:

		Increasing prices	Making energy efficiency improvements	Using cash reserves	Adapting our products or services	Sourcing alternative materials/ goods/ services	Freeze on hiring staff	Reducing operations or opening hours	Exploring use of AI/ automation	Collaborating / sharing premises/ resources	Making staff redundant
<i>Total</i>		55%	41%	36%	34%	30%	22%	19%	17%	11%	6%
Sector	Manufacturing	73%									12%
	Construction	75%				44%	32%				
	Wholesale, retail and repairs						29%				
	Accommodation and food services	66%	54%					33%			
	Professional, scientific and technical				43%				29%		
	IT, finance and real estate								26%	19%	
	Arts and entertainment		58%		49%					22%	
Growth aspirations	Striving for growth		45%	41%	42%				23%	15%	
	Wanting to downsize						36%	39%			
Business Performance	Struggled in past 6 months			49%			28%	26%			
Relationship with HIE	HIE-client engaged	69%	62%								13%
Location	Urban	60%					26%		22%		
Economic outlook	Not confident			41%			28%	26%			

NOTES

Shaded cells are figures that are higher than the average (where the difference is statistically significant).

RESPONDING TO CHALLENGES VARIATION 2

Businesses who said that they were experiencing certain significant challenges were more likely than average to say that they were responding to the challenges they faced in specific ways:

			Significant challenges								
		Total (%)	Supply chain issues / logistics	Workforce issues	International trading conditions	Increased cost of doing business	Changing regulations	Moving to net zero ways of working	New technologies including AI and automation	Finance	Reduced demand
Actions taken, or planning to be taken, in response to challenges	Increasing prices	55%	61%			60%					
	Making energy efficiency improvements	41%	50%					56%	58%	53%	
	Using cash reserves	36%								51%	44%
	Adapting our products or services	34%	44%	40%					43%		
	Sourcing alternative materials goods or services	30%	44%		40%		35%	40%			37%
	A freeze on hiring staff	22%								29%	31%
	Reducing operations or opening hours	19%		26%							26%
	Exploring the use of AI/automation	17%			23%				29%		
	Collaborating/sharing premises or resources	11%								18%	
	Making staff redundant	6%			10%					10%	

NOTES

Shaded cells are figures that are higher than the average (where the difference is statistically significant).

SECTOR CATEGORIES INCLUDED IN THE SURVEY SAMPLE

SIC 2007 categories

The sector categories referred to in the report, and examples of the types of sectors covered by these categories, are summarised below.

Sector title uses in report	Types of sectors covered
Primary industries	Agriculture, forestry, fishing; Mining and quarrying; Electricity, gas and air supply; Water and sewerage
Manufacturing	Manufacturing
Construction	Construction
Wholesale and retail	Wholesale and retail sales and repairs
Transport and storage	Transport activity and storage of goods used for transport activities
Accommodation and food services	Accommodation and food service activities
IT, finance and real estate	IT, telecommunications, financial services, insurance, and real estate
Professional, scientific and technical	Legal, accounting, advertising, architectural and scientific research.
Administrative and support services	Office administration, human resources, services to buildings and landscapes, travel, and security services.
Arts and entertainment	Creative and arts activities; Libraries, museums and cultural activities; Sports and recreation.

Growth sector categories

The growth sector categories referred to in the report, and the types of SIC 2007 sectors they partially cover are summarised below.

Growth sector category	SIC 2007 categories partially covered
Creative industries	Manufacturing; Wholesale and retail; Professional, scientific and technical; Administrative and support services; Arts and entertainment.
Energy	Primary industries; Manufacturing; Professional, scientific and technical.
Financial and business services	IT, finance and real estate; Professional, scientific and technical; Administrative and support services;
Food and drink	Primary industries; Manufacturing.
Life sciences	Manufacturing. Professional, scientific and technical;
Tourism	Accommodation and food services; Administrative and support services; Arts and entertainment.

PROFILE OF BUSINESSES INTERVIEWED (WEIGHTED)

Size (no of employees)	%
Sole trader	23
1-4	39
5-10	17
11-24	11
25+	9

Location	%
Argyll and the Islands	19
Caithness and Sutherland	9
Inner Moray Firth	29
Lochaber, Skye and Wester Ross	13
Moray	11
Orkney	8
Outer Hebrides	5
Shetland	7

Relationship with HIE*	%
Client-engaged	6
Non-client-engaged	38

Urban/rural	%
Remote rural	53
Accessible rural	15
Other (urban)	31

Sector (SIC 2007 categories)	%
Primary industries	27
Manufacturing	5
Construction	13
Wholesale and retail	12
Transport and storage	3
Accommodation and food services	11
IT, finance and real estate	5
Professional, scientific and technical	11
Administrative and support services	6
Arts and entertainment	6

Growth sector	%
Creative industries	5
Energy	2
Financial and business services	8
Food and drink	25
Life sciences	*
Tourism	11
Non-growth	49

NOTES

*Figures do not sum to 100% as relationship with HIE is only known for existing panel members.

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