



Looking for more

**From remote working
to well-being and
ESG—employees are
reconsidering what
they want**

American worker pulse survey |
Summer 2022 report

August 2022



It's time to rethink



Our statistics and our experience show employees are entering a stage of 'Great Reconsideration.' It's about what drives employees most in work and life. It makes sense that demands and happiness determine how strongly this takes hold.

– Felicia Lyon
Principal,
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American workers want a more holistic offer from their employers, so the challenge is on to deliver.

Following the unprecedented disruption to the American workplace in recent times, we see that a “Great Reconsideration” is underway. From the point of view of organizations, they are now considering what transformations have worked, what have not, and what needs to be done to ensure that employees are satisfied, engaged, and committed. Importantly, they are asking, how do we retain our talent in such a competitive marketplace? Meanwhile, from the point of view of the workforce, they are reassessing the approach they want to take to their work life and careers, their loyalty to their organization, and what they expect from their employer. While financial reward is still a top priority, they are thinking more holistically about their experience at work, and the benefits that they prioritize.

These factors came through in the third KPMG American worker survey. In summer 2022, we surveyed over 2,250 employees across various sectors about topics such as their work preferences, work-life balance expectations, job satisfaction and plans to change jobs, career opportunities, the benefits of digital investment, understanding of their organization’s purpose, and expectations of their organization around environmental, social, and governance (ESG) activities. The results reveal that as part of the “Great Reconsideration,” American workers expect more than ever from their employers. Many are actively looking elsewhere to find the benefits and opportunities they want.

This report summary highlights notable findings from the survey, and explores key actions that employers can take to help make the most of the “Great Reconsideration,” build the best possible employee experience, and retain valuable talent.

Survey participants

We surveyed over 2,250 employees across sectors including healthcare/life sciences (24 percent), consumer and retail (23 percent), financial services (13 percent), government/education (12 percent), industrial manufacturing (10 percent), technology, media & telecommunications (9 percent), energy (4 percent), and other (6 percent) were surveyed.¹ The majority of our respondents, 89 percent, were full-time employees, and the remaining 11 percent were part time. Around two-thirds were starter level or support staff, while the rest were managers. The majority of respondents, 73 percent, were employed by companies with 5,000 or more employees, and 58 percent were employed by companies with a total revenue of over US \$1 billion.

The respondents were slightly skewed toward females at 53 percent, while there was quite an even spread between millennial (aged 26–41), Gen X (42–57), and boomer (58–76) respondents, with a smaller representation from Gen Z (18–25). In terms of race, 61 percent were white and 39 percent were Black or African American, Asian, mixed, Hispanic/Latino, and Native American or Alaskan Native.

¹ Totals do not sum to 100 percent due to rounding.

Key survey findings

1 Remote work is important, but not the panacea

One of the most obvious workforce changes experienced during the height of the COVID-19 pandemic was the rapid shift to digitization and remote work. However, while remote working is undoubtedly popular with employees, the survey revealed that it is perhaps not the panacea that was expected.

Currently, 55 percent of survey respondents work fully or mostly in the office/on premise, while 45 percent are fully or partially remote. In terms of their preferences, 27 percent prefer to work fully in the office/on premise, 23 percent prefer to work mostly in the office/on premise with some remote work, 23 percent want mostly remote work with some office/on-premise time, while 26 percent want to work remotely all of the time.²

For nearly one-quarter (24 percent) of respondents, having no opportunity for remote work would make them want to leave their organization, although this is not a top-five reason to leave. Meanwhile, 56 percent somewhat or strongly agree that they would like to see their organization provide more remote jobs.



26%
of managers want to work mostly remotely, with some days in the office/on premise.

Key actions

It is clear that remote working is important to many, but so is the opportunity to engage in an in-office/on-premise experience. What this means as an employer is that you need to truly understand your specific workforce demographics and needs in relation to remote work. Then, you need to build strategies to meet those needs, while also meeting business objectives.

Remote work strategies are not a one-size-fits-all approach. Listen to your employees, set guidance for teams, and incorporate what each employee needs. Identify purposeful interactions to have a reason to meet in the office. It is also essential to ensure that both groups—remote and on-premise workers—are gaining fair career paths and learning opportunities so that there are not better outcomes for one group.

The remote work issue will remain prevalent in the near term, as the experiences of COVID-19 have permanently changed workers' expectations. Organizations need to keep an open mind about enabling remote work to retain talent; otherwise, employees will find the flexibility that they seek at a different organization. Remote work has been just one part of the "Great Reconsideration" that we see happening, explored in detail in point 2.

² Totals do not sum to 100 percent due to rounding.

2 The “Great Reconsideration” is underway

For 62 percent of American workers, the demands of their jobs have increased over the past year. Happiness at work for 33 percent is somewhat or significantly worse, while for 38 percent of respondents it has not changed, and for 30 percent, it has somewhat or significantly improved.³

Demands and unhappiness may have something to do with the fact that for 34 percent, their desire to stay at their current organization has somewhat or significantly decreased. For people working partially or fully remotely, this response is 27 percent, but for people working in the office/on premise it is 39 percent. Another 31 percent of respondents somewhat or strongly agree that they are actively thinking about or looking to leave their organization, although 52 percent somewhat or strongly disagree.

Key actions

We have heard a lot in the press about the “Great Resignation” post-COVID-19; however, the statistics and our experience show it is more of a “Great Reconsideration” about what drives employees most when it comes to work and life. It makes sense that demands and happiness are factors in determining how strongly this is taking hold.

It is not a surprise that respondents are facing more demands. When much of the workforce shifted to remote, there was a lot of concern about whether productivity levels would remain. To counter this, people worked harder to make the change work, and support their organizations operating throughout the pandemic. Now, there can be a lack of delineation between work and home life, with 24-hour connectivity, continual video conferencing, and an expectation of fast responses. Adding to this, customer demands keep increasing—particularly in sectors such as retail, hospitality, and tourism—intensifying pressures for already-stretched workers.

To ease rising demands, you will need to consider what your workers are doing, what is essential, and what can be reduced. Where can resourcing support be provided, perhaps via technology or automation? Does your company culture need a review?

Regarding employees reconsidering their roles, it should be pointed out that there will always be a portion who are thinking about, or actively doing something about, changing their place of work. However, as employers, you should aim to minimize that percentage of people. As it stands, that one-third of active job seekers could be the critical third of your business that you need to ensure successful, sustainable growth. If you have a fast turnover, your ability to operate without disruption could be at risk. To help mitigate this, you need to understand who that one-third of your business are and their concerns, and work toward meeting their expectations.

33%

of respondents say their happiness at work has somewhat or significantly decreased, of which 57% are actively thinking about or looking to leave their employer.

³ Totals do not sum to 100 percent due to rounding.

3 Balance and benefits help

For today's American workers, work-life balance is increasingly vital. In fact, 90 percent say it would be an important factor if they were looking for a new employer or career opportunity. For 36 percent, the inability to maintain a healthy work-life balance is a reason that would make them want to leave their organization, making it the second reason behind a noncompetitive financial package.

Currently, 72 percent somewhat or strongly agree that they are able to maintain a work-life balance, of which 78 percent of fully or partially remote workers agree, while 67 percent of those in the office/on premise agree.

When it comes to benefits, American workers will continue at their organization if they have a good or competitive benefits package including health benefits, personal time off, flexibility, and parental leave (52 percent). Of course, financial compensation still counts (42 percent), and flexible working hours are also key—not just where the work is done (40 percent).

If respondents were looking for a new employer or career opportunity, the things that would be important or very important to them after financial compensation (96 percent) include personal time off or sick leave (91 percent), work-life balance flexibility (90 percent), and health benefits (88 percent). Notably, for 71 percent, well-being resources for mental health, caretaker needs, and retirement planning would be important.

Key actions

People are being more reflective about what is important in their work and personal lives, and the correlation between them. The result is an increase in what we call “work in the flow of life,” with people working when, where, and how it is optimal for them. We also see a growing recognition that there are times when workers will push harder at their careers, and times when they need to put more energy into life outside of the workplace. That is where we also consider that work-life balance is really more about finding work-life harmony—the idea that work needs to be seamlessly part of a much bigger picture of life. For the people looking for new roles, the selection of factors that are important to them range from sick leave to work-life balance, and access to mental health resources, which shows a strong support for creating harmony. Their preferences all point to the expectation that employers will help their well-being as much as their career and financial needs.

We have seen organizations increasingly view their employees as “whole humans”—not just workers. Employers are recognizing that factors such as health, well-being, caring responsibilities, and more are all impacting the ability of employees to bring the best version of themselves to the workplace. The consideration of these factors is something that employers can apply. Therefore, looking at your specific workforce is key when thinking about harmony and benefits. What you offer may need to be diverse or tailored, and aligned to business needs and practicalities.



4 Employees want clear pathways

Our survey found that 55 percent of American workers somewhat or strongly agree that they are provided adequate, diverse career path opportunities into lateral and upward roles. Fully or partially remote workers agree to this (58 percent) at a higher rate than fully or mostly in-office/on-premise workers (52 percent).

Meanwhile, 58 percent somewhat or strongly agree that they have open access to learning paths for alternative career paths within their organization. Fully or partially remote workers somewhat or strongly agree to this at almost a 10 percent higher rate (63 percent) than those fully or mostly in the office/on premise (54 percent).

Key actions

Employees want to know that they have career opportunities within their organizations and also the chance to learn and grow to open up potential alternative job types within the company.

For the 45 percent that are neutral or disagree that they have a clear career path forward in their organization, or the 42 percent that are neutral or disagree that they have the learning for alternative career paths, there is a huge opportunity for organizations to look into this and find out why, and what can be done to turn this around.

We know that employers face a competitive marketplace to secure the right talent. Therefore, if you can review career paths within the organization, and upskill your people for the needs of your future business, then you could broaden your talent pool for roles with the people you already have and who already know your business. This effort can also help to solve the problem of the one-third of people looking for new roles, discussed in point 2. Can new roles be visible to them within your organization, rather than elsewhere?

Opening up career opportunities within your organization may also require taking a closer look at what is occurring at the higher levels of experience. Some organizations have staff members with great experience and long tenure, but this can mean that openings “up the ladder” are limited. What can you do to rethink roles, career pathways, and even your approach to hierarchy to help build exciting pathways and retain your talent?

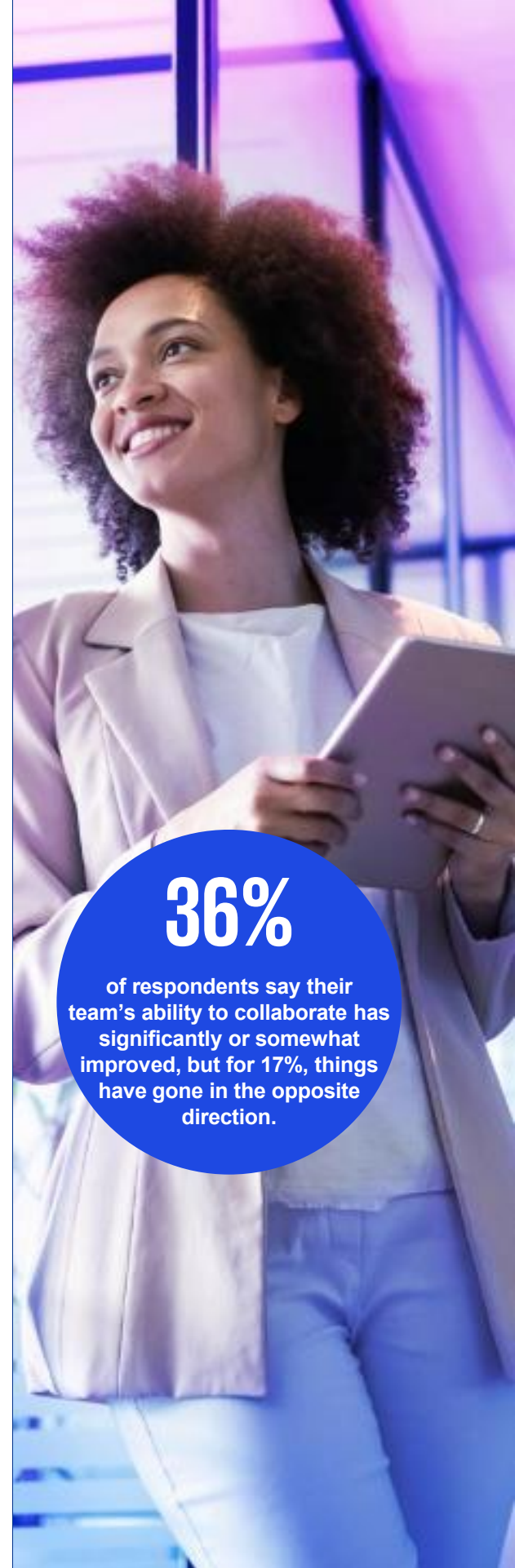


5 Digital yet to deliver

Digital transformation has rapidly swept through the workforce in recent times. Part of this has been the urgent facilitation of remote working; another part of it concerns the need to optimize functions to be data driven, automated, and more efficient. For 72 percent of survey respondents, their organizations provide modern digital tools and other technology to enable them to be more productive. Yet, despite these investments, just 42 percent of respondents say their personal productivity has significantly or somewhat increased in the past year. Just 39 percent say the quality of their work has improved, 53 percent that the quality of their work has not changed, and 8 percent that it has somewhat or significantly worsened.

Key actions

Many companies have invested multimillions of dollars in new technologies, which are often selected to help streamline processes. Therefore, it is concerning to see that for 58 percent of respondents, their personal productivity has not changed or has become worse, or that for 61 percent their quality of work has not changed or worsened. This may suggest that technology investment is not delivering the maximum possible return. This presents an opportunity to think differently about the digital tools that people need or what can be automated versus what should be automated. It also offers a chance to make sure that the technology is aligned to business needs, and that people are trained to engage with the tools effectively.



36%

of respondents say their team's ability to collaborate has significantly or somewhat improved, but for 17%, things have gone in the opposite direction.

6 Purpose is clear, connection weaker

In a positive sign, a significant 83 percent of respondents somewhat or strongly agree that they understand how their job contributes to their organization reaching its strategy and goals. This suggests that organizations are doing a good job of communicating their overall purpose and how everyone plays a part in it.

When it comes to gaining career or moral support at work, just over half of the respondents, 53 percent, somewhat or strongly agree that they have adequate access to sponsors or advocates at their organization, while 21 percent somewhat or strongly disagree. Interestingly, 60 percent of remote workers somewhat or strongly agree, while 48 percent of those mostly in the office/on premise somewhat or strongly agree.

The majority of workers agree that their organization offers them opportunities to share their perspectives about their job and the organization, such as through employee surveys, focus groups, or discussions with their manager. In fact, 78 percent of managers agree, although the result for entry/support staff is lower at 61 percent. However, there is a decline when it comes to seeing positive changes made to the organization in response to employee feedback, with just 65 percent of managers and 45 percent of entry/support staff agreeing.

Key actions

When employees understand the vision of the organization and their role in reaching it, it makes sense that their engagement will be greater than those who do not. While employees predominantly understand their impact, there is still opportunity to find out why 17 percent are not clear. How could communication around purpose be strengthened? Could their impact be better defined?

Having people within the organization that employees feel they can reach out to for advice is important when it comes to building engagement and longevity. There is a chance to look at the 21 percent who do not feel that they have adequate access to sponsors or advocates, and find ways to build those connections. Are there certain sectors of the business, groups of people, or levels of experience that need attention? For example, working parents, caregivers, or culturally diverse groups may need some additional focus.



36%

of respondents say that feeling disrespected at work is a top reason that would make them want to leave their organization.

7 More can be done on ESG

Of all respondents, 72 percent say that it is important for their organization to respond to ESG issues, showing a high level of awareness of this growing area of importance. However, 58 percent say they agree or strongly agree that the effort their organization puts toward ESG activities is making an impact on society, suggesting room for improvement.

When it comes to diversity, equity, and inclusion (DEI) initiatives at the organization, which often sit under the “S” or social aspect of ESG, 48 percent agree or strongly agree that they personally benefit, although the rest are neutral, or don’t feel that they are gaining from these initiatives.

Key actions

People’s engagement with their organization can be impacted by their feelings about how the organization acts regarding ESG activities, particularly around climate change or diversity and inclusion. It is therefore concerning that 42 percent are neutral or disagree about whether the effort their organization puts toward ESG is making an impact on society. There is also more potential to increase the benefits that people across all groups in the organization gain from DEI initiatives. The findings in these areas could suggest that business is not doing enough, that employee expectations are not aligning with results, or that communication about positive activities could be strengthened.

At the core, organizations need to see their ESG strategy as more than a compliance issue, and understand the positive impact that it could have on society and their employees. Setting clear ESG key performance indicators (KPIs) such as charitable giving, employee volunteer hours, or a carbon footprint dashboard, and sharing progress, is a key way to do this.

Another thing to consider is where your organization’s awareness of ESG activities and progress about ESG KPIs are centered within your organization. We know from our experience that boards and the C-suite increasingly have it front of mind, but is there opportunity to grow this awareness and ownership of ESG actions more deeply across the business?

71%

say the mission and purpose of their organization make them feel as though their job is important.

The trend to watch – building a talent marketplace

While not a focus of this year’s American worker survey, building a talent marketplace is a trend on the rise. It’s an internal system that enables employees to promote themselves while the company posts new roles, projects, and more. It gives organizations and workers a way to be very targeted about hiring for specific skills as needed. As organizations digitize, scale up quickly to compete, and rally to respond to changing customer demands, we expect to see this growing. For leadership, this will mean a shift in how they think about the workforce and what roles workers perform.



Deliver a greater employee experience

Change has been so rapid and the pressure so significant that it makes sense that people are rethinking what they want from their employment in a more holistic way. Financial compensation still counts, but as this American worker survey has shown, employees want more from their organizations. Remote and flexible working opportunities, better work-life harmony and well-being-related benefits, career opportunities and learning within their organization, a clear purpose and mentorship, and evidence that their organization is making a positive ESG impact are all front of mind.

American workers are not sitting idly with these thoughts. Around one-third have their eye on greener pastures, and workers overall know what they want and what they are looking for.

There is no reason why, with this insight, that your organization cannot become their employer of choice. By understanding these workforce trends, then diving into specific employees' needs and focusing on meeting them, minor adjustments will make a big difference.

It is possible that by facing into, rather than fearing, the "Great Reconsideration," it could help your organization deliver a greater employee experience, and contribute to sustainable growth.

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