



A new beginning: Insights from the KPMG American Worker Survey

American Worker Survey
November 2024

kpmg.com

Something important is happening across the American workforce. For the past several years, uncertainty was an underlying but pervasive theme throughout our annual KPMG American Worker Surveys. Today, it seems a new beginning may be coming into focus. Not all of the issues that weigh on the minds of today's workforce have been resolved, of course. But this year's survey shows that employees and their employers are beginning to work through some of the challenges they have faced over the past few years in ways that have the potential to benefit them both. We are seeing the beginning of new thinking and consensus around some critical issues related to the nature of work—where we work, how we work, when we work, and even who has the opportunity to do the work. We are beginning to see the contours of what the future of work may look like.

We do not want to overstate the optimism, however. Workers continue to have concerns about the future of work and the workplace, particularly as they relate to the economy and the introduction of game-changing technologies. At the same time, employers are still trying to find their footing when it comes to balancing retention with addressing the needs of the business. Despite these challenges, we do not want to underplay the positive signs we see in this year's survey results.

This report showcases survey findings that are thought-provoking on their own. And yet, when they are viewed more holistically, they are even more intriguing. We have used these findings and the stories they tell to explore key actions employers can take to build a future in which both employees and the organizations that employ them can flourish.



Survey participants

We surveyed more than 1,800 US-based employees representing a wide variety of industries, including health care and life sciences (22 percent); government and education (16 percent); technology, media, and telecom (15 percent); financial services (13 percent); industrial manufacturing (11 percent); consumer and retail (9 percent); and others (3 percent). Twenty-three percent of this year's respondents work for organizations of 100,000 or more employees, 16 percent for organizations with 50,000 to 99,999 employees, 33 percent for organizations with 10,000 to 49,999 employees, and 28 percent for organizations of 5,000 to 9,999 employees.

Our participants reflect today's multigenerational workforce, with 43 percent Gen X (43-58), 34 percent Millennials (27-42), 20 percent Baby Boomers (59-68), and 3 percent Gen Z (18-26).

Our participants were overwhelmingly full-time employees (97 percent), as opposed to part-time workers (3 percent). Of the total number of respondents, 59 percent were managers and 41 percent non-managers; 42 percent do their work at their company office, while 30 percent are remote or mostly remote; and 28 percent are hybrid employees, working both remotely and at the office.

As for gender, 55 percent were women, 45 percent men, and the remaining <1 percent were nonbinary, transgender, or declined to identify.

Key survey findings

01 As adoption and optimism around AI continue to grow, learning and development are more important than ever

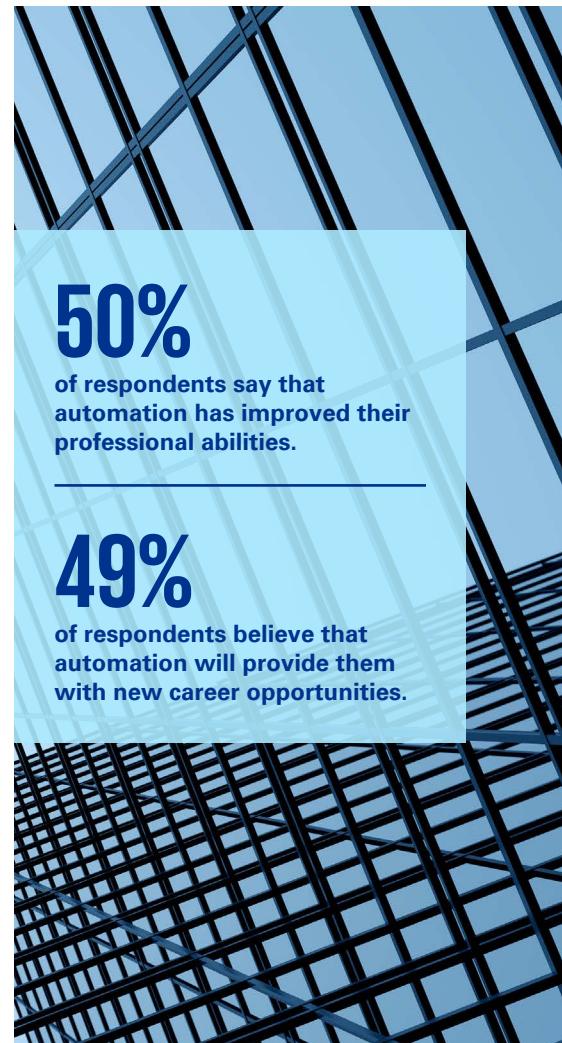
Fear and resistance around artificial intelligence (AI) have significantly declined, which is very positive. While the organizations that design and develop AI and those that deploy the technology in their business operations have rarely said that it will replace workers, workers themselves have not been so sure. In our survey last year, 59 percent of executive and senior managers and 31 percent of middle managers said they believed their jobs will become "obsolete" within the next three years due to technology. This year, however, only 28 percent of our respondents believe their roles might be eliminated due to automation technologies. While this is not an exact apples-to-apples comparison, it is close enough to infer that workers are feeling less threatened by the technological revolution, and especially by AI.

Sixty-nine percent of our survey respondents say they use automation technologies in the workplace at least once a week, while 30 percent say they use it daily. It is, therefore, positive news that 50 percent say that automation has improved their professional abilities, and 48 percent believe that automation will provide them with new career opportunities.

Some of this improvement in sentiment may be due to organizations sharing their vision for implementing automation in the workforce, as more than half (53 percent) of respondents reported. Transparency around AI also may be why more workers appear to be reevaluating technology's impact on their jobs. And since the fear factor has ebbed, an organization's vision for automation technology implementation will be more easily brought to life.

Driving buy-in is given a boost if organizations give their employees the opportunities they need to uplevel their skills. According to 62 percent of our respondents, their employer emphasizes the importance of continuous learning and development specifically with automation technology.

Organizations that are transparent in their intentions around automation technologies and that then empower their employees with upskilling opportunities that align with those intentions will not only be in a better position to retain their talent, but will also build a more committed and driven workforce to carry them into the future.



Key actions



- Remain transparent around the organization's AI intentions.
- Communicate regularly about how AI adoption is intended to elevate workers, not replace them.
- Invest in robust GenAI learning and upskilling programs that meet employees where they are.
- Stress the importance of continuous learning to keep pace with new technologies, including how to get the most value from them and use them responsibly.

02

Leaving jobs may be top of mind, but many employees have yet to take action

Over the past few years, we have seen numerous workplace trends, including the Great Resignation, Quiet Quitting, and Career Cushioning. Our survey shows there may be a new, as-yet-unnamed development across the workforce, with 42 percent of our respondents saying that over the past year they have considered leaving their jobs, while only 27 percent have reported actively looking.

Fortunately for employers, the survey results provide insight into the reasons that so many employees may be questioning whether they and their current employer are a good fit. Of them, the top three stand out:

- An inability to maintain a healthy work-life balance (34 percent)
- Noncompetitive financial compensation package (32 percent)
- Feeling disrespected in the workplace (32 percent)

Among other potentially alarming concerns for employers is the finding that, of those considering leaving their jobs, 39 percent are Millennials, versus 31 percent who answered yes overall. The more than 72 million Millennials in the US¹ make up the largest segment of the workforce. Given the size of this demographic group, if more and more individuals begin to look for new positions, there could be grave instability in the workforce, not to mention an exacerbation of the talent shortage organizations have faced over the past few years.

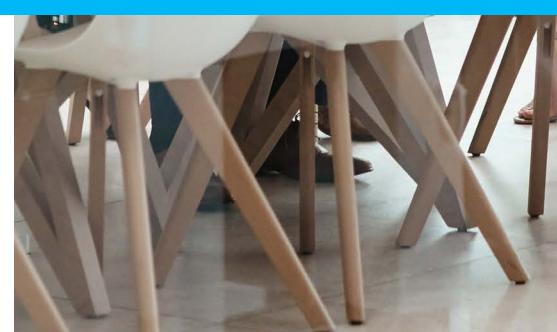
With so many people considering leaving their jobs over the past year, why are so many still staying put? Fifty-eight percent of respondents agreed or strongly agreed that upskilling is important to their careers, so opportunities for learning and development with their current employer may also be a reason to stay. In fact, 26 percent of our respondents cited the opportunity to learn and gain skills in their job as a reason for staying with their organization, while 22 percent cited the opportunity to learn and gain skills for future jobs they may be considering.



Key actions

- Invest in upskilling and career mobility to attract and retain top talent.
- Be mindful of the top three reasons people leave their companies: lack of flexibility, compensation, and respect.
- Foster a respectful working environment and a culture that embraces all demographics.
- Rethink and reassess the employee value proposition inclusive of culture.
- Review competitive pay practices and be creative with compensation and benefits programs.

¹ Source: Statista: Resident population in the United States in 2023 by generation



03

Employees still expect flexibility so they can fulfill responsibilities at work and at home

The pandemic created a need for employers to be more flexible about where and when their employees do their work, with 71 percent of employees saying that remote work has helped them balance work productivity and caretaker responsibilities. Ninety-two percent of respondents say that working remotely has helped them balance work productivity and responsibilities at home.

Now, almost five years later, employees expect flexibility to be the new norm even as some employers are trying to rein it in (with, for example, office mandates).

Today, 30 percent of our respondents say they work fully remote, and 28 percent say they are in a hybrid remote/office situation. Seventy-three percent report that they are confident their manager believes they are equally productive working remotely as they are at the office. While 42 percent work fully on-site, 35 percent believe they are less productive when there—even as 56 percent say they are now held to metrics such as number of days required to be there.

Still, many survey respondents do believe being on-site has its benefits—47 percent feel they are more productive, and 62 percent say the social aspects of working on-site positively impact their organization's corporate culture and their experience of belonging.

Flexibility is more than just about where people work. It can also be about when people work. In fact, 66 percent of respondents believe they could accomplish the same amount of work in a four-day, 32-hour work week as they currently do in five. Still, 34 percent say that to be as productive in a condensed work week they would need specialized training, and 45 percent of all respondents say generative AI (GenAI) technologies would help.

Employee confidence in the four-day work model may suggest that employees who are on-the-ground doing the work understand the potential of the workforce better than the company itself. With 36 percent of workers saying their employer already offers a condensed work week, the question is how soon, if ever, will the other 64 percent of employers agree on the viability of this model. Perhaps no time soon, since only 9.9 percent of the survey respondents who agreed were executives and senior leaders (i.e., the decision makers), and larger companies are trending toward a return to office, particularly in Big Tech and financial services. Leadership hesitancy may be an early warning sign that enthusiasm for the four-day work week among employees may not easily translate into action. In this case, it is hard to know which group—leaders or those they lead—has greater insight into the challenges and practicality that a four-day week may present.



Key actions

- Address friction between employees' desire for flexibility and senior leaders' desire for return to the office without driving attrition.
- Evaluate employee value proposition to include benefits of in-office work.
- Provide incentives to reward employee flexibility.
- Approach the change management process gradually.

04

Rethinking traditional four-year-degree education requirements is gaining momentum

There is growing skepticism toward the traditional requirement of a four-year degree for job eligibility, not only among those without such a degree, but also among those who do.

Respondents indicate that they believe experience and skills gained through alternative pathways can equate to the capabilities of those with a conventional four-year degree, challenging long-standing hiring norms. In fact, 61 percent of survey respondents question a college degree's predictive value for job success, with 47 percent saying they believe their employers miss out on candidates because of the four-year degree requirement.

This reflects a broader industry recognition that nontraditional educational paths, including self-taught skills and vocational training, can produce workforce talent that is as competent and innovative as those with college degrees. The rise of digital learning platforms underscores the growing demand for accessible and diverse learning opportunities that align more closely with evolving job requirements and personal development goals.

The data bears this out, with 70 percent of respondents saying they have pursued alternative education. More specifically, 48 percent say they have pursued certifications or micro-credentialing programs, and 16 percent have attended bootcamps. All of this activity highlights the prevalence of—and ongoing interest in—alternative educational paths that can not only complement the conventional four-year degree, but also replace it as a job requirement in some cases.



Key actions

- Conduct a comprehensive review of job requirements to optimize candidate supply.
- Codify internal mobility programs that leverage alternative education paths.
- Invest in complementary education as a driver of career mobility and growth.
- Explore skills-based hiring as an alternative to traditional hiring models.



05

Effective people leadership skills are the key to the manager/employee relationship

The manager/employee relationship has always been important. That is true for employees, who should be coached in their careers, helped when necessary, and encouraged to do even more when possible. It is also true for managers, whose success often relies on how well they build and lead teams, while bringing out the best in everyone to reach personal and organizational goals. This relationship is more important than ever in a post-pandemic world, where employers are experimenting with new work models—or trying to return to old ones—and employees are questioning what is acceptable to them given the flexibility they have come to expect.

While 75 percent of survey respondents believe they meet with their managers on a sufficient basis, 25 percent do not. Further, only 71 percent of employees think that, when they do meet with their managers, the feedback they receive is constructive. That means almost a third of employees are not getting feedback on their performance that could help them grow in their careers, and managers are not fostering a dialogue that can help them lead highly productive and motivated teams.

Since employees have little control over how often they meet with their managers, or how productive those meetings will be, it will increasingly be up to them to shape their own careers. Further, the onus will be on employees to find additional mentors who can inspire, motivate, and guide them. While many employees say they have such mentors inside or even external to their organization, our survey shows that 38 percent say they do not.



Key actions

- Invest in upskilling and career mobility to attract and retain top talent.
- Be mindful of the top three reasons people leave their companies: lack of flexibility, compensation, and respect.
- Foster a respectful working environment and a culture that embraces all demographics.
- Rethink and reassert the employee value proposition inclusive of culture.
- Review competitive pay practices and be creative with compensation and benefits programs.



Conclusion:

This year's KPMG American Worker Survey reveals a workforce on the brink of transformation, with both challenges and opportunities coming into view. As we navigate this new beginning, it is crucial for employers to embrace transparency around AI intentions, invest in upskilling and career mobility programs, find ways to reconcile employees' desire for flexibility with the push for return to office, remain open to alternative hiring models, and give managers the skills that help them build productive, motivated teams. In doing so, organizations can not only retain top talent, but also build a resilient and innovative workforce ready to thrive in the future of work.

For more information, contact:



John Doe
Principal, Advisory
jdoe@kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Please visit us:



[kpmg.com](https://www.kpmg.com)



Subscribe

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

DASD-2024-16726