



American worker pulse survey—manufactured at the pulse of IM employees

January 2023



As industrial manufacturing organizations transform, sustainability and diversity are altering the strategic landscape.

American industrial manufacturing workers are wanting more personally and professionally. They are focusing on their careers, organizational goals, and the greater good globally.

Industrial manufacturing industry insights from the American worker survey

Today's manufacturing sector mirrors a world undergoing unparalleled change. Disruptive forces like COVID-19, climate change, and geopolitical upheavals have caused issues with productivity and skills availability, ultimately affecting the bottom line. To address these issues, industrial manufacturing organizations have accelerated their digital transformations (e.g., HR, Finance, Supply Chain, etc.) while moving their environmental, sustainability, and governance (ESG) initiatives ahead at full speed. Ongoing value creation will not only require smart thinking and smart technologies, but also rely upon whether employers can attract and retain critical skills and talent that will increase operational efficiency and make the organization more competitive. Business as usual is no longer acceptable; future-ready industrial manufacturer organizations need to invest in people, processes, and technologies to help ensure a more habitable planet.

To better understand what makes American workers satisfied and supported in their careers, in 2022, KPMG undertook its third American worker survey. Almost 2,300 employees from a broad swath of industries, including the industrial manufacturing

sector, provided their feedback on everything from corporate culture to ESG and career mobility. Below are five key insights gleaned from these conversations.

1

Industrial manufacturing employees generally like where they are, though some are likely to leave for better opportunities.

There is both good and bad news for human resources leaders when it comes to employee retention. More than half (58 percent) of surveyed workers have no intention of leaving their current employers in the upcoming year and 34 percent are happier and 30 percent are more committed to their organizations than the previous year. That is the good news.

Positive feelings are being offset in several ways. One fourth (26 percent) of surveyed workers say their desire to stay at their organization has decreased over the past year. Also, 59 percent saw work demands increase, which is a red flag when 86 percent of those surveyed would look for a new opportunity to achieve better work-life balance. And 31 percent would leave their current jobs if they felt disrespected at work.

Industrial manufacturing organizations have ample reasons, compared to other industries, for being cautiously optimistic about employees remaining loyal; nevertheless, they should must be proactively diligent in continuing to engage and enable their employees.

2

Workers desire a strong organizational response when it comes to diversity and inclusion, environmental, and social change.

Over 75 percent surveyed industrial manufacturing workers believe their organizations should address ESG issues; yet, only 62 percent feel their organization makes a quantifiable impact in this area outside of corporate walls.

When it comes to diversity, equity, and inclusion (DEI) initiatives, 72 percent indicate that their expectations are met by their organization even though only approximately half of those surveyed say they personally benefit from these initiatives. All this indicates that organizational commitment to the “greater good” results is very much desired and valued by their workers. Organizations can benefit from explaining how DEI initiatives benefit employees, ecosystem partners, and ultimately customers.

3

Organizations do well when they help ensure well-being and deliver mental health resources.

About three fourths (77 percent) of surveyed industrial manufacturing workers state adequate well-being resources and programs are made available by their employers. While only 66 percent utilize these resources (compared to 59 percent of all surveyed American workers), the positive news is that nearly three-quarters of all those surveyed maintain a healthy work-life balance.

Time off (80 percent) and external mental health resource availability (64 percent) are of strong importance to workers who see this support as essential to worker productivity while 40 percent have indicated they would leave their jobs if they were unable to maintain a healthy work-life balance. While industrial manufacturing workers are less focused on remote or hybrid work than other surveyed American workers, they still find flexibility critical with 79 percent stressing they want work schedules that allow them to address nonwork needs.



Industrial manufacturing business leaders are not always aware of the magnitude of talent and/or environmental changes that impact employees. Our industrial manufacturing clients are challenging these perceptions by leveraging leading class HR, Finance and/or Supply Chain technologies, while also driving more training opportunities to empower and enhance the employee experience.

– Jay Conforti,
Managing Director,
KPMG LLP





Industrial manufacturing companies offer the opportunity to work on cutting-edge technology in a very stable industry. Companies are investing heavily in high-tech talent and capabilities—smart cities and industrials are the future and it's an exciting time to be a part of that.

– Kristine Coogan,
Principal, KPMG LLP



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Communication and collaboration must be purpose-driven and part of the corporate culture.

Surveyed industrial manufacturing workers feel both engaged and valued within their organizations though there are some areas for improvement specifically around information sharing and access to management. While 74 percent have confidence that they can provide feedback to management and team members, approximately 20 percent disagree there will be positive organizational change based on this feedback. There is almost an even split (56 versus 44 percent) on whether there's adequate access to sponsors and advocates within the organization. However, nearly 70 percent feel they can easily get the answers they need regarding organizational information, services, and offerings.

Those workers surveyed are invested in where the organization is going, what are the agreed-to business outcomes, and what are the short- and long-term goals direction. Eight in ten have confidence that they understand goals and strategies, while 73 percent possess job confidence because of the organization's clear mission and purpose. In analyzing responses, there is demonstrable evidence that industrial manufacturing workers feel there are ample opportunities to have dialogue and discourse with company leadership and teammates. Additionally, they see the organizational culture in a positive light with 32 percent indicating improvement year over year.

5

Career growth and advancement is a by-product of the right training and learning.

It takes a well-developed training program within an organization to enable an employee to be successful at one's job, according to 78 percent of those surveyed. This can be for one's current role or alternative career paths within the organization. Additionally, nearly seven out of ten workers feel open access to learning is readily available to them. This is almost 10 percentage points higher than that of other surveyed American workers.

There are some potential areas for improvement. For example, 40 percent either disagree or are neutral on whether there are enough career path opportunities into lateral and upward job roles that provide a diverse set of career experiences.

Coupled with half of respondents feeling the quality of work has remained static, and 72 percent looking at new career development opportunities as a reason to seek new employment, employers may want to elevate their training and learning programs to retain and reward the current workforce.

Building a more sustainable world through workforce investment

It is apparent from the highlighted survey results that American industrial manufacturing workers are organizationally committed and professionally satisfied. But, as recent KPMG CEO research indicates, the growing skills shortage that is widespread throughout the industrial manufacturing industry requires a greater emphasis on keeping these loyal workers happy, and providing the right work-life balance. Transparency on what is required to progress one's career (i.e., whether that be a roadmap on much-needed future skills or pursuit of advanced education degrees) could also help in fostering in-house skills and greater employee retention.

Skills, training, and communication are vital, as is the organization's commitment to ESG and DEI goals. Remember, the workforce is looking not only inward but also outward. Because industry workers are constantly testing and reviewing the market, industrial manufacturers may want to track (e.g., talent pool)

external talent that may fill highly valuable positions or be brought on board for mission-critical initiatives that require immediate action.

For industrial manufacturing organizations to make a difference within their businesses and for their employees, they need to:

- Offer opportunities for upskilling and reskilling that allow employees to expand their careers beyond their current roles
- Enable workers to share perspectives about their current jobs and organization through a broad range of digital communication tools
- Develop compensation and benefits packages that are competitive and flexible (including both remote and hybrid work arrangements)
- Show an ongoing commitment to net-zero and carbon-neutral goals by investing in ESG strategies that help reduce costs and improve profitability while increasing employee buy-in.

As industrial manufacturing organizations bounce back in these postpandemic times, surveyed workers are ready to meet the challenges of a changing world. It is up to today's organizations to demonstrate that a worker's ability to perform, produce, and provide for their families and communities is not just a personnel mantra but core to the organization's mission and values.



Nearly
8 of 10

surveyed industrial manufacturing industry workers believe it's important for their organizations to respond to ESG issues.

Contact us

Claudia Saran
National Sector Leader,
Industrial Manufacturing
T: 312-665-3088
E: csaran@kpmg.com

Kristine Coogan
Principal, Strategy
T: 312-665-2641
E: kristinecoogan@kpmg.com

Jay Conforti
Managing Director, Human Capital
T: 312-665-3398
E: jconforti@kpmg.com

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