



KPMG
International
Annual Review
2005

Section 8
Competing for
talent

KPMG INTERNATIONAL

A close-up portrait of a woman with dark, wavy hair, wearing a light pink button-down shirt and a necklace. She is looking directly at the camera with a slight smile. The background is a solid teal color.

competing for talent

KPMG member firms must be ready to respond to the needs and expectations of clients, investors, government, regulators and the public.

They must reflect the richness and values of the communities in which they operate. And they must be able to attract, retain and develop great people as partners and employees.

Lilly Li
*New partner at KPMG
in China in 2005*

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"I believe KPMG is a place where talent and culture can combine into a great career experience."

Chuck Chubb, *new partner at KPMG in the U.S.; one of 594 KPMG member firm partners appointed in 2005*

A strong shared culture

In response, we are developing a strong culture that guides and connects everyone within KPMG member firms in 144 countries. In 2004, for example, we launched a set of Global Values and a Global Code of Conduct. This year we launched our first Global Skills and Behaviors framework, which connects the competencies required to be outstanding professionals with our shared values. These have had a tremendously positive effect, giving member firm employees a clear understanding of what KPMG stands for and helping us to work together effectively.

Changing population, changing attitudes

The quality of the people within member firms is exceptional, and is one of our greatest strengths. Like all businesses, however, we face competition for the best talent. Worldwide there are too few people for the number of jobs available, further increasing demand. Some causes include:

- Aging populations and declining birth rates, with fewer young entrants to the labor market relative to the population as a whole

- Fewer graduates relative to business growth, making sustained growth difficult
- A trend towards early retirement

We are also seeing the emergence of new attitudes about work, with many employees seeking more flexibility. Even those happy to pursue an established development path expect a healthy work-life balance, as well as excellent rewards. And everyone expects—quite rightly—to work in a positive environment with opportunities to progress.

An early response

These changing demographics and attitudes will become more significant for KPMG member firms over the next 5–10 years, but we are responding now, developing ways of working that aim to provide people at KPMG with:

- Respect as individuals and recognition for their work
- A supportive culture based on teamwork and good people skills
- Competitive remuneration and non-financial rewards
- Fulfilling experiences
- Opportunities to develop leadership skills and roles
- Excellent career counselling

10,500

More than 10,500 graduates chose to join KPMG member firms in 2005

7 million

More than 7 million hours were invested in staff development by KPMG member firms in 2005

OUR VALUES

We lead by example—at all levels acting in a way that exemplifies what we expect of each other and our member firms' clients.

We work together—bringing out the best in each other and creating strong and successful working relationships.



FLEXIBLE WORKING

Many member firms are placing new emphasis on flexible working arrangements. For Amanda Morrison, director of U.K. Risk Management, flexible working means “not having to choose between KPMG and my family”. A four-day week, remote access from home and a positive approach from colleagues helps Amanda to balance her commitments.

Flexibility is also top of the people agenda in Australia, where the firm is addressing a shortage of high quality candidates and experienced employees. Flexible working is available at all levels and has generated a very strong response among women who previously felt they could not combine family and work commitments. However, around 40 percent of applicants to these posts are men, and a broad range of flexible approaches have been proposed, including compressed working weeks and seasonal working. Andrew Hilson, Director, Financial Advisory Services at KPMG in Australia, now works four days a week, enabling him to spend time with his wife and two young children. “I feel that my partners and colleagues respect my decision and recognize the importance of a balanced life,” says Andrew.

Our people also get access to technical training and global mobility programs. And those with leadership potential also get opportunities such as a place on the Chairman’s 25—three parallel regional programs that bring together the best young talent within member firms, provide them with exceptional development opportunities, including access to high-profile business figures, and challenge them to demonstrate their attributes in real projects designed to benefit KPMG directly.

These are our objectives. In the meantime, we have to address a number of issues if we are to continue to attract, retain and develop the best people, such as:

Retaining more recently qualified employees at KPMG

Turnover rates among recently qualified employees are too high. Work-life balance is an important factor and we are developing ways to help younger employees maintain a balanced approach.

Creating flexible work patterns

We lose many valuable professionals—particularly experienced women—because they feel their work life is incompatible with the demands of raising a family. A number of member firms now enable employees with a family to work part-time or for extended periods during busy periods. An additional mutual benefit of this approach is that people remain up to date with their training and development.

Increasing career mobility for partners

Partners may be attracted to a career development path that provides opportunities outside their existing business group or office location. The international scale and multidisciplinary approach of KPMG is a potential strength here.

Involving older employees

Many would like to continue to work in some capacity and have much to offer. Possibilities here include extending the age of retirement, enabling continued contribution to a firm after retirement, and offering retraining for older workers from outside KPMG.

OUR VALUES

We respect the individual—respecting people for who they are and for their knowledge, skills, and experience as individuals and team members.

We seek the facts and provide insight—challenging assumptions, pursuing facts, and strengthening our reputation as trusted and objective business advisers.



KPMG in New Zealand was ranked the top graduate employer in the country in an independent survey of more than 2,200 graduating university students.

Promoting diversity

An environment where everyone feels comfortable and confident to contribute is a major advantage in the competition for talent, and enables us to recruit from the widest possible pool of people.

Aspirations for 2010

Looking ahead to the turn of the decade, we want to have addressed issues such as these and achieved an excellent reputation built on our strong and globally consistent culture and a clear role for KPMG at the heart of a profession with credibility. We also aim to have 25 percent women partners worldwide (2005: 13 percent), to have the lowest attrition rates of the Big Four, and to be recognized as the best place to be a partner in our profession. The current leaders of KPMG are addressing these challenges now, even though many older partners will see none or few of the long-term benefits that may result from this progressive approach to culture and recruitment. They are prepared to make investments for the future good because they take their responsibilities as caretakers of their firms very seriously.



Thorsten Amann

Putting our values to work, from China to Germany

"After working for a bank in China I had the opportunity to bring my experience to KPMG in Germany to set up a China Desk. The idea is that clients and colleagues can call on me to get the advice, resources and access to people they need—in China or Germany.

"I now know colleagues at KPMG in China well and they have had to trust me in Europe. By using our shared values we have been able to quickly agree on responsibilities, develop effective working methods, and devise a system for sharing fees. By using this approach, clients can receive a consistent KPMG service with in-depth local knowledge at both ends."

We are open and honest in our communication—sharing information, insight, and advice frequently and constructively and managing tough situations with courage and candor.

We are committed to our communities—acting as responsible corporate citizens and broadening our skills, experience, and perspectives through work in our communities.

Above all, we act with integrity—constantly striving to uphold the highest professional standards, provide sound advice, and rigorously maintain our independence.

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