



KPMG Case Study 2007

Organisation logo



Organisational Background

KPMG is one of Australia's largest professional services firms offering a range of audit, tax and advisory services to private and public sector clients. KPMG in Australia consists of more than 300 partners and 4,000 people providing professional and support services. KPMG is affiliated with KPMG International, a global network of professional services firms with more than 100,000 people in around 140 countries.

The success of KPMG depends on its ability to attract, develop and retain high-calibre professionals, and as such, KPMG heavily focuses on providing an environment for its people to flourish and reach their full potential.

KPMG and its people live by the firm's values of:

- we lead by example
- we work together
- we respect the individual
- we seek the facts and provide insight
- we are open and honest in our communication
- we are committed to our communities
- above all, we act with integrity.

KPMG recognises the need for people to strike an appropriate balance between their working lives, family responsibilities and other personal interests.

Organisation Information

INDUSTRY SECTOR	=	Accounting Services	
NUMBER OF EMPLOYEES	=	Over 4,000 people	
% OF FEMALE EMPLOYEES	=	At least 50 percent	
% of FEMALES IN MANAGEMENT	=	Managers	50 percent
		Senior Managers	33 percent
		Executives	12 percent

View KPMG's website at www.kpmg.com.au

Q What particular issue is your initiative or program attempting to address?

A particular focus for KPMG has been on gender in order to address the decreasing number of female employees in the senior levels of the firm. The more junior levels of the firm enjoy a very healthy gender split, with KPMG's yearly national graduate intake of around 500 people evenly distributed between male and female. The global skills shortage, like many professional services



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firms, is a very real business issue for KPMG. That is why attraction and retention programs have never been so important.

Q What program or initiative did you implement to address the issue? Please describe what the program or initiative involved.

Diversity is a key area of focus for KPMG. The firm believes it is essential for business growth and innovation to encompass a broad and diverse mix of people from differing backgrounds, gender and cultures who have varying thinking styles and qualities.

The firm developed a number of initiatives to ensure the attraction and retention of women in addition to many other proactive measures regarding people management. The refreshed approach to diversity within the firm began with the inception of the People, Performance & Culture (PPC) structure in 2005. This structure encourages the leaders of the firm to take responsibility for people management and to continue to create an environment in which KPMG's people flourish and realise their full potential.

KPMG also established the Diversity Advisory Board, which includes 11 partners, a senior manager and a dedicated Human Resources manager, and is representative of all locations and divisions. The initial focus of the board was on gender.

KPMG's aim is to address the issues women face and implement best practice solutions. The firm has a focus on flexible work practices and family-friendly initiatives to proactively tackle one of the most strategic people-related issues facing the firm.

KPMG's learning and training philosophy is essentially gender neutral; however there were specific development programs, courses and initiatives introduced to address particular needs for female employees. These include:

- career resiliency programs
- the *Executive Women's Development* program
- parental leave courses for pregnant women and their spouses
- parenting workshops
- return to work forums (post parental leave)
- sponsorship of the *Serious Women's Business Conference*
- celebrating International Women's Day in each office throughout Australia.

To effectively communicate the many success stories generated from the people initiatives introduced in the firm, two employee newsletters were initiated. Called *People News for YOU* (online) and *People and Community* (hard copy), these publications highlight successful examples of people utilising the many people focused initiatives available, to proactively promote and address diversity issues within the firm.

Q How did you gain buy-in for this initiative from:

1. CEO and Executives

KPMG built a business case for diversity focusing on the labour shortage phenomena which had become a reality for the firm. More females than males were leaving KPMG and it was obvious in



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order to meet the demanding growth targets the firm had put in place that a change in the approach taken towards recruitment and retention methods was required. The commitment to the diversity program is seen as a strategic imperative for business success.

Lindsay Maxsted, CEO of KPMG in Australia, has embraced the focus on diversity. Since 2002, under Mr Maxsted's leadership, the number of female partners has grown by 114 percent.

Mr Maxsted introduced the People, Performance & Culture (PPC) group, appointing a national managing partner responsible for the PPC area and introduced a framework to create responsibility and accountability for PPC initiatives throughout the firm. Mr Maxsted takes a very active role in promoting diversity within the firm, attending and speaking at key events including *Career Milestone*, *New Managers Course* and the *New Partner Conference*, speaking on a range of issues, particularly focusing on the diversity agenda.

Mr Maxsted has also been a proud foundation partner and supporter of the *Serious Women's Business Conference* for the past three years and has been asked to speak at the event joining other CEOs to talk about leadership and the importance of the advancement of women.

2. Staff - bringing them along the journey through open communication

KPMG was able to utilise many communication avenues to effectively engage and inform employees and to start taking them on the journey to embrace diversity and change.

Through the use of KPMG's online and hard copy communication channels the firm began actively communicating to its people. Through the formation of the Diversity Advisory Board, KPMG partners gave face-to-face presentations to talk about the firm's goals of inclusivity and gender diversity. The firm began acknowledging some important celebrations such as International Women's Day and Harmony Day to continue to engage and inform KPMG people.

The PPC representatives also became champions of the diversity program actively engaging the people in their teams and divisions.

Effective communication has been paramount to highlighting and addressing diversity issues within the firm.

Q *What were the challenges in getting this project from the concept phase to implementation phase and how did you address them?*

A challenge was to adequately inform all people in the firm and ensure the level of understanding was consistent among the 4,000 employees and over 300 partners.

KPMG addressed this issue by developing and executing a comprehensive communication plan, with the aim to reach and inform all KPMG people on the initiatives and programs. In addition, the leadership of the firm were strongly encouraged to embrace the initiatives, which has ensured the take up rate of the programs has been extremely positive.

To further guarantee the diversity initiatives were accepted, it was imperative to ensure the business and PPC representatives within the firm felt responsible and accountable for the initiatives introduced. To encourage this to happen, the following measures were introduced:



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- Monthly reporting of key performance indicators were required through the PPC structure.
- The leaders of the firm discussed figures on turnover by gender, headcount by gender and the take up of flexible work arrangements monthly.
- Goals were set for partners to include relevant people management matters.

Q What were the outcomes for your business and for the women in the organisation?

KPMG are proud to say that the turnover rate has equalised by gender. There is certainly heightened awareness of the need to address this issue. The leaders of the firm have been very proactive in supporting female employees and are accountable for their actions and decisions.

KPMG has made some significant inroads on addressing gender within the firm, however there is still a lot more to be achieved and the journey is by no means finished.

Some statistics on KPMG's women are:

- Year to date, the number of women working part-time has increased by over 40 percent since the end of the financial year in 2005.
- The number of female partners has increased by 114 percent since 2002.
- In the past two financial years, over 180 women have taken parental leave.
- In the past two financial years 48 women have been posted on overseas secondments.

These statistics are positive, however KPMG will continue to provide opportunities and flexibility for women to flourish and reach their full potential.

Q How will you build on this project to achieve further outcomes for women?

The strong take-up of KPMG employment offers by high-quality female graduates and lateral non-graduates is evidence that these policies are proving attractive to women.

We will continue to review and refine these practices to reflect women's changing career and lifestyle expectations while allowing both men and women to satisfy the demands of their careers, families and personal goals.

KPMG has a clear objective to more closely measure the success of the programs introduced and to ensure that there are clear targets in place for divisions who have less female representation. The firm is getting into the detail and believes that the numbers will only continue to rise even further.

There is still more to be achieved and KPMG, the leadership team and its people are committed to continuing to address and focus on diversity within the firm.

KPMG's objective is to be acknowledged as a leading practice in diversity and the firm's mission to achieve this will continue to drive the diversity agenda.

To foster a work environment that is inclusive and that embraces the diversity of our people, their ideas, professional insights and personal perspectives and that enables our people to reach their full potential.



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Success stories

Below are examples of KPMG people who are utilising the various people focused initiatives to achieve their goals.

Promoted while on maternity leave

KPMG does not regard pregnancy as a career setback. The firm readily recruits and promotes pregnant individuals. Jacqui Tucker, senior manager from KPMG's Adelaide office is a perfect example, promoted while on maternity leave with her second child.

"Knowing how fair and rewarding KPMG is, I thought there could be a possibility I would be given the opportunity to be promoted within the firm. For this to actually happen during my maternity leave was extremely encouraging for me."

Xplore for Success – developmental program for women

"Being able to meet different people in KPMG was fantastic and it was reassuring to know that we all face the same kind of challenges and obstacles. It was a rewarding opportunity and an effective way of KPMG recognising and encouraging their employees." Emilie Williams, Risk Advisory Services.

Flexible work arrangements

"What I really appreciate about KPMG is the flexibility the firm offers its people. My working arrangements have changed as I've moved through my working life and I'm lucky KPMG has the flexibility to accommodate my needs. It is not always easy balancing a demanding job and demanding children – but you can make it work – and KPMG allows the flexibility to help you do this." Margaret Smylie, partner in Risk Advisory Services.

Job sharing arrangement

"Our job sharing arrangement is great as Joanne and I have found a way where we can work as one effectively. Our colleagues have the confidence in our work and they know we always keep each other in the loop." Lian Tan, coordinator, Marketing.

Serious Women's Business conference

"The conference enabled me to gain invaluable and honest insights into the personal and professional experiences of some very impressive female executive role models. I am now more aware of taking charge to enhance my career and to achieve a better work/life balance." Jacquie Heath, manager, Internal Audit.

Culture and ethnicity activities

"Everyone was very enthusiastic about the Chinese New Year morning tea. Many people in the Canberra office had expressed their interest in learning more about their colleagues' cultural traditions, and this is one way of doing it." said Christa Gordon, Diversity Advisory Board member and partner in Canberra.

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Person/s available for media contact/interview:

Jeffrey Pearse
Executive Director
Human Resources

Jeffrey joined KPMG in February 2000 and was promoted to Executive Director in July 2004. Since joining KPMG he has had overall accountability for strategic and operational human resources delivery at KPMG across four divisions and six states and territories. Jeffrey has had over twenty years human resources experience and has worked mostly within the financial services and professional services sectors, in diverse national Asia-pacific and global roles. Jeffrey and the National Managing Partner for People Performance & Culture work together closely to set and deliver KPMG's people strategy.