



FRONT ROW, FROM LEFT: Nancy Calderon, National Partner in Charge, Operations; Henry Keizer, Global Head of Audit and U.S. Vice Chair, Audit; Carol McCoy, Partner in Charge, KPMG Tax Business School; Bruce Pfau, Vice Chair, Human Resources. BACK ROW, from left: Shaun Kelly, U.S. Vice Chair, Tax; Tina Kelly, Global Head of Advisory Learning & Development; Mark Goodburn, Vice Chairman/Head of Advisory; Eileen Walsh, Partner in Charge, Audit Learning & Development.

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# TALENT SCOUT

KPMG has built a training infrastructure to make sure it gets plenty of new talent at the entry level, and it develops that talent to rise as far in the organization as possible. BY HOLLY DOLEZALEK

Most companies need a steady stream of talent to enter, then move up in, the organization. But at most companies, the care and feeding of that talent stream is often a bit fragmented; recruitment is largely an HR function, while succession planning—to the extent there is any—is left in the hands of executive leadership.

Development of the candidates in that stream frequently is an ad-hoc sort of afterthought.

But not at KPMG, the U.S. audit, tax, and advisory firm headquartered in New York. The firm has built what could be called a life cycle talent management and career development curriculum to make sure it gets plenty of new talent at the entry level and that it develops that talent to rise as far in the organization as possible, guaranteeing a more stable organization that never lacks for internally grown expertise.

## DEVELOPING EARLY CAREER EMPLOYEES

KPMG's training and development curriculum goes into effect before the talent in question even joins the firm. KPMG has more than 1,000 college students as interns every year, but those interns don't always just show up on the company's

In the late 1990s, like other firms at the time, KPMG had an end-of-internship program. It involved some valuable training, but because it was at the end, it tended to be a recap and a celebration of what the interns had done rather than a basis for what they were going to do. But in 2004, the company launched a new program that would give interns useful tools at the beginning of their internships.

Now all interns each year—about 400 in the winter and 1,100 in the summer—go to a national introductory training session. The first day of the four-day session is a welcome from executive leadership, where interns learn what will be expected of them. “We go over expectations, the firm’s core values, and how those are going to match up on the job,” Ruschak says.

Day 2 is what's called the “Manage Your Message” session, where interns learn the professional skills they'll need to

succeed. Facilitators cover how to interact with clients and colleagues, dress codes, networking, communication, and other skills that will help interns know how to perform their assigned tasks.

For those first two days, training is cross-functional, so whether they're going to be working in the audit, tax, or advisory division, they complete these first two days of training in a blended classroom environment. But on the third and fourth days, they begin to split into their chosen fields to receive the technical training they need to do their jobs. Instructors

come from the area of practice they'll be working in. All professionals are trained on core methodologies and gain experience with tasks they may be called on to perform. Audit and tax interns practice new skills hands-on through technology-enabled client engagement simulations.

Ninety percent of KPMG's interns receive offers to work for the firm, and 90 to 95 percent of those who get such an offer accept it. But not all first-year associates who work for KPMG intern with the firm. So KPMG decided to study how the internship, with its requisite training, was preparing its interns to be full-time associates. In 2008, the firm sent a survey to 250 associates who had been hired approximately five months prior. Sixty percent had been interns, while 40 percent had not. The survey asked respondents to evaluate how well their training had prepared them to do their jobs, specifically asking them whether they felt more comfortable as a result of their training.



MEMBERS of KPMG's Learning & Development team based in Montvale, NJ.

PHOTO BY JIM GORALSKI

doorstep. To attract the best students for internships, the company has many local and national leadership development programs that introduce qualified students to some of the skills and abilities they'll need to develop to have a successful career at a firm such as KPMG. “We hope to convert those students into interns in the following summer,” explains Blane Ruschak, executive director of university relations and recruiting for KPMG.

But that's only the beginning. When interning with KPMG, students do eight weeks of field experience, meeting with actual clients and performing real work. But first, they go through what's called the National Intern Training (NIT) program. It's a sequence of training to help interns learn and do as much as they can during their nine-week internships at the firm. “We wanted to provide critical training for interns when they first start to be able to perform effectively when they go out on client assignments,” Ruschak says.

Respondents were asked to rate themselves on how confident and comfortable they felt in performing 14 tasks key to their roles. On 13 out of those 14 tasks, respondents who had been interns rated themselves as significantly more confident and capable than those who had not.

## DEVELOPING SENIOR LEADERS

Intern training is just the beginning of the life cycle curriculum at KPMG. More development opportunities are available at every career level from new associate to manager to experienced partner, right up to the firm's management committee. Every year, the firm trains employees to take on new responsibilities as managers, senior managers, and partners through a variety of training programs. KPMG's focus on developing its most junior employees is mirrored by an investment in developing the firm's most senior leaders.

"We've made a deliberate effort to make succession planning more disciplined, especially in terms of career development for partners who are likely candidates for senior leadership positions in the firm," says Bruce Pfau, vice chair of Human Resources for KPMG.

That means a twice-yearly evaluation of the firm's whole talent pool, which is seen in terms of readiness: Candidates are either "ready now," "ready soon," or "ready later."

**LEAD PARTNER ACADEMY IS A SIX-MONTH PROGRAM IN WHICH PARTNERS ARE MATCHED WITH MORE SENIOR PARTNERS AND DO CLASSROOM WORK THAT THEY APPLY TO ENGAGEMENTS THEY'RE WORKING ON. TWO-THIRDS OF THE 206 PARTICIPANTS HAVE ADVANCED TO A HIGHER LEVEL OF RESPONSIBILITY IN THE TWO YEARS SINCE THE PROGRAM WAS INITIATED.**

"We refine and modify a series of plans around successors who would be likely candidates for key positions, both in 'emergency' situations and normal successions such as retirements and rotations," Pfau says.

But those plans are dynamic because the firm has to be dynamic. "At times, the firm has to move someone new into an existing position because we have to abide by regulations to rotate lead partners off of key SEC clients," Pfau explains. "So that often triggers a disciplined process of 'musical chairs.' Changes can occur for many reasons, and not always on our schedule."

That's why, although the formal process happens twice yearly, succession planning goes on almost all the time, explains Shaun Kelly, vice chair of KPMG's tax practice.

"We're not just dusting off those plans twice a year," Kelly explains. "We see it as part of an ongoing career path for all of our partners, and we start with where they are—ready soon, ready later—and work back to what will make them ready soon or ready now." Areas considered include management experience, cross-functional experience, or other development that will help the candidate reach the ready now level.

And development does not necessarily result only from a formal job. KPMG must adapt to changing client needs, as well as industry and regulatory changes, explains Pfau, and that often means short-term projects or assignments to respond to major changes in the industry or major challenges to the firm. Those projects and assignments are just as much part of the development plan to increase candidates' readiness for more responsibility in formal jobs or roles. "For example, we have assigned high-potential partners to time-limited projects to improve efficiency, improve work-life balance, or capitalize on market developments," he says. "Sometimes these lead to more formal, long-term assignments, and sometimes they remain time limited, but they are always critical professional development opportunities."

More formal leadership development programs also play a role in getting candidates ready to do more at a higher level.

For example, Lead Partner Academy is a six-month program in which partners are matched with more senior partners and do classroom work that they then apply to the engagements they're working on. Two-thirds of the 206 participants have advanced to a higher level of responsibility in the two years since the program was initiated.

KPMG also offers The Chairman's 25 (C25), a program that brings together high-potential candidates for leadership development sessions. Between sessions, they network and have virtual contact with each other and complete assigned work. The firm brings in outside speakers for the formal sessions, and partners with Wharton Business School for the content. Kelly describes the program as

an intense one that combines the basics of leadership with topical issues that affect the company as a whole. "For example, I might meet with a group and talk about strategy for the tax business, and we'll bring in leading clients in that business to give their perspective, as well," he says.

The participants also work with a career coach outside of KPMG over a period of 18 months to help them think about where they want to go next and what they need to do to get there. Past participants have made it to KPMG's board, the firm's management committee, or become area managing partners.

We hear all the time that "people are our most valuable resource." At KPMG, that resource is valued and developed from the bottom of the organization all the way to the top. **T**