

# HUMAN CAPITAL MANAGEMENT CASE STUDY

## KPMG – an integrated competency framework

ACCA

### BACKGROUND

Before the development of a single organisation-wide competency framework, a number of KPMG's national practices operated a locally designed framework. It was agreed that organisational performance would benefit from an integrated approach to the use of competencies across the firm's globally dispersed workforce consisting of 113,000 professionals.

The integrated framework would provide alignment of the many applications of competencies currently in use across KPMG's practices.

### DESIGNING AND DEVELOPING THE PROGRAMME

The project began in 2003 with a four-month research phase designed to uncover the competencies required for continued future high performance. In partnership with Saville & Holdsworth Ltd (SHL), the well-known human development specialists, a consultation group of 10,000 staff members were identified and invited to complete a questionnaire on the future skill and behavioural needs for the organisation. The 3,500 returns received provided a sound base of opinion from which to proceed.

A range of supporting interviews were also undertaken, the first category being 'critical incident interviews' in which staff around the world were asked to identify key competencies that had been of most benefit in critical situations. Secondly, interviews with the organisation's top performers helped identify their differentiating skills and behaviours. The final category, 'visionary interviews' with the organisation's leaders, captured the future competencies required, for the different levels of employee.

The final competency framework design consists of ten key competencies broken down into behavioural indicators for the six levels from associate to partner. There are typically around four behavioural indicators for each level of a competency. The framework is cumulative in design, meaning that the skills and behaviours specified at each level include all those from the levels below.

The competencies are deliberately fairly generic. They are designed to be applicable across global locations and to be applied flexibly, allowing a degree of interpretation according to the culture in which each member firm operates.

An extract from the framework is included overleaf.

### KPMG'S SKILLS AND BEHAVIOURS

- Business focus
- Accountability
- Drive and resilience
- Feedback and learning
- Developing people
- Building relationships
- Problem solving
- Making an impact
- Professionalism
- Delivering quality services
- Technical knowledge

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Supplementing the common, behavioural framework, technical competencies were defined by function (including support functions). This design enables the promotion of common skills and behaviours alongside technical proficiency.

### IMPLEMENTING AND OPERATING THE PROGRAMME

The framework has proved to be flexible in design and application. It is now used to support a range of HR activities: recruitment, promotion, reward, development (including self-assessment), performance management, and career management.

When used to support talent management, the competency framework is an essential resource for understanding current performance. Of course, it was recognised that talent management is a future-focused activity and so measures of individuals' future potential and motivation are also included in the decision-making process.

CASE STUDY

### **BUSINESS FOCUS (extract)**

Identifies and pursues business opportunities. Understands and explains the commercial context and processes of KPMG, (internal or external) clients, markets and the external environment. Builds awareness of your firm's strategy, financial targets and risk guidelines, and operates within these parameters.

#### **Senior associate/senior team member**

- Learns about the latest trends in KPMG's market, including competitor activity
- Identifies possible business opportunities and advises manager or partner

#### **Senior manager**

- uses research into client businesses (the issues they face, the state of markets, key developments) to initiate new service and product offerings to clients
- Finds opportunities to build future work from existing client engagements
- Identifies and acts upon business opportunities
- Calculates the risks involved in different commercial decisions or activities even if the risk is not taking them
- Develops productive relationships that bring in business.

#### **Partner**

- Implements strategies to target and secure business opportunities
- Makes decisions based on a broad view of the external political, economic and legislative environment
- Develops long-term focused plans to maximise commercial success and updates them to capitalise on developments
- Seizes opportunities to extend breadth and depth of service
- Focuses upon activities that will deliver the greatest long-term return
- Monitors and manages the achievement of short-term revenue opportunities

The global rollout was supported by a range of products to help the users get the most from the framework and explore its flexibility, including guidance for performance managers on how best to use the KPMG Global Skills & Behaviours framework. A template for guidance was produced centrally from which local offices produced versions appropriate to their market.

### **CELEBRATING SUCCESS AND PLANNING THE FUTURE**

Says David Conder, HR Director at KPMG: 'Developing and using a single set of competencies has helped us get better at managing our people. They provide the foundation for consistency in the application of key processes and an opportunity to drive our global employer of choice agenda.'

The key advantage of starting the project with a global consultation exercise and then creating a competency framework with generic competencies is the flexibility of the finished product. It is ideal for a complex, global organisation. In fact, after three years there has still not been a need to update it. David believes that if the framework had been too specific it would have needed a significant amount of updating to maintain its relevance and make it work globally.

The framework's impact has been wide ranging; for instance, the competencies have been used to develop a global online performance management tool, 'Dialogue',

aligning practice in over 100 countries and both introducing and embedding the use of competencies in the organisation.

The competency framework is one of many activities to enhance KPMG UK's 'people proposition' which is all about engaging with people in the firm. And while it is difficult to attribute results specifically to any one activity, all measures have provided very positive results.

Staff engagement measured by the year-on-year staff survey is very high, and it has become easier to manage performance because using stand-alone competencies allows development needs to be better identified and targeted. External surveys (including The Sunday Times, which in the last three years has placed KPMG as the third, first and second best large company to work for in the UK) continue to recognise the firm's merits.

Akber Pandor, Director Learning and Development is delighted with the success of the programme: 'The framework provides a very clear path for planning future development activities and career goals'.

### **ABOUT KPMG**

KPMG is a global network of professional firms providing audit, tax, and advisory services. It operates in 148 countries and has more than 113,000 professionals working in member firms around the world.

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