



## ***KPMG LLP***

# *Achieving Results Through Mentoring*

### **Organizational Information**

KPMG LLP (KPMG) is the U.S. member firm of KPMG International, a global network of accountancies with roots going back 300 years and one of the industry's Big Four accounting firms. KPMG International's member firms have 137,000 professionals, including more than 7,600 partners, in 144 countries.

### **History and Launch of Activity, Program, or Policy**

Formal mentoring has existed at KPMG for decades. Prior to 2004, however, the mentoring program focused primarily on assisting employees with the transition to partnership. In 2004, KPMG's former Chairman and Deputy Chairman, recognizing the critical role mentors played over the course of their own careers, set out to expand the program to all KPMG employees regardless of functional area, level, or partner-track status. This expanded focus was much more inclusive than previous mentoring efforts and demonstrated that senior leadership at KPMG regarded the mentoring program as a key developmental tool for all employees that could increase retention and strengthen internal talent.

To introduce mentoring at the start of an employee's career at the firm, all new hires participate in KPMG's Transitional Coach Program, which educates them about mentoring, emphasizes KPMG's commitment to the program, and pairs them with "transitional coaches," more senior employees who introduces them to the firm. Though the Transitional Coach Program is separate from the mentoring program, it lays the groundwork for more formal mentoring relationships, and many transitional coaching pairs continue as formalized mentoring relationships.

### **Strategy of Activity, Program, or Policy**

As a result of restructuring the mentoring program in 2004, the firm developed a program that included trainings, tools, and resources to facilitate mentoring relationships. The effort was supported with a comprehensive communication campaign designed to encourage employees to participate as both mentors and mentees. KPMG's mentoring program has evolved over time, and today it is not only accessible to all employees but is also entrenched in KPMG's business culture and is actively supported by upper management. In addition, involvement in the mentoring program is seen as an important professional development tool. Participation is voluntary, but all staff members are strongly encouraged to participate from the beginning of their employment at KPMG. As a result, nearly 60 percent of KPMG's workforce participates in the mentoring program.

KPMG used a three-pronged approach in developing and implementing its mentoring program:

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- **Clear support from leadership.** Senior leaders strongly and actively encourage employees to participate in the program. Formulating and maintaining a mentoring relationship is viewed as an important professional development activity.
- **Reinforcement as a two-way partnership.** While the mentor provides the bulk of guidance within the relationship, the mentee is expected to commit to the relationship and contribute his or her own knowledge and expertise as well.
- **Adaptable format that is both informal and structured.** At the program's inception in 2004, KPMG instituted a comprehensive mentor matching tool that proved cumbersome. In response, a less formal system was implemented in which the burden of responsibility for finding a mentor was on the would-be mentee. However, the lack of structure inherent in this model failed to engage employees. Today, participation in the program is high due to a fluid, hands-off approach to mentor matching combined with strong support and high levels of communication and commitment from leadership. Chemistry is vitally important in the mentoring relationship, and KPMG maintains that self-directed matching at the local level is most effective.

A number of additional characteristics of KPMG's initiative, including resources for mentors and mentees and an innovative tracking system, have contributed to its success.

### **Resources and Matching**

KPMG provides both mentees and mentors with resources to help cultivate mentoring relationships. The program included multiple training courses offered via KLearn and MSO webcasts, KPMG's internal training website, on the roles and expectations for each party in the relationship and how to be effective in each role. Examples include *Identifying, Evaluating, & Supporting Mentee Development Opportunities* and *Providing Constructive Feedback for Mentors*. The courses provided participants with tips to help them develop and clarify the goals of a mentoring relationship and to identify a mentor, and discussion guides help employees start and maintain mentoring relationships. In addition, panel discussions, forums with mentors, and trainings on how to find a mentor are held regularly. Mentoring is also encouraged at networking events held by KPMG's many employee affinity groups.

To find a mentor, would-be mentees are encouraged to identify people they personally know at KPMG who they think might be good mentors. If the employee needs assistance identifying a potential mentor, performance managers, other colleagues, or ultimately the human resources department are available to make suggestions. Because KPMG recognizes the importance of chemistry and personal relationships in

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mentor matching, engagement of the human resources team is considered the final option for employees needing assistance.

In further support of KPMG's emphasis on employee-directed mentoring, the program has few logistical constraints. Mentors and mentees are self-selected. There are no requirements surrounding age, business sector (e.g., tax, audit, advisory), or geographic location, although employees tend to prefer mentors who are in the same sector and location due to shared experience and an increased capacity for understanding business and job function. There are no requirements regarding the amount of time devoted to the relationship; rather the firm recommends that mentors and mentees meet in person for a minimum of one to two hours each month and supplement this contact with phone calls and other forms of communication, including email.

### **Tracking**

Mentees are encouraged to use Dialogue, KPMG's firm-wide, computerized performance management system, to track their mentoring relationships. While this is not required, most mentees and mentors do use the system so that mentees can engage their mentors in important career processes, such as reviewing performance management goals or client engagement reviews. Employees identify their mentors on their profile pages, which allows KPMG to track and analyze mentoring, especially within the diversity networks and the Women's and Diversity Advisory Boards, partner-appointed boards created to improve the retention and advancement of women and of diverse employees, respectively. Employees are also able to use Dialogue to document their mentoring relationship. In addition to using Dialogue, mentor-mentee pairs are expected to formulate and monitor goals for the relationship. Setting goals helps better define the relationship and ensure expectations are met for both parties.

Participation in the program is high largely because of its fluid nature. Based on employee data from 2008, nearly 60 percent of KPMG's workforce (9,862 mentees; 5,990 mentors) participates in the mentoring program and there are 1.6 mentees for every mentor. However, given the informal monitoring system, these data likely underrepresent the total number of participants.

### **Success Factors**

- **Management approach.** The program is visibly supported and actively encouraged firm-wide by senior management, human resources, and performance management personnel. However, its success is due in part to the fact that KPMG does not micromanage the program. Mentoring has become an integral component of employee evaluations through the use of tools such as KPMG's web-based

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performance management system. For example, employees involved in the program are expected to include mentoring as one of their professional development activities, and participation is taken into account within the performance management process. Partner-track employees are expected to specify mentoring as one of their formal goals. There is a general expectation that mentees will become mentors as they advance within the firm. In fact, many employees are simultaneously mentees and mentors, and most partners mentor junior employees. Overall, the open-door and mentoring culture encourages employees at all levels to approach partners and senior leaders with ideas or ask for career guidance.

- **Rewards & Recognition.** To reward employees for excellence in mentoring and to actively promote the program, KPMG formally recognizes mentors with the National Mentoring Award. Created in 2006, the award is an annual firm-wide effort to acknowledge the positive impact mentoring has on career development. Mentees nominate their outstanding mentors for the award based on mentors' exceptional behavior as role models, passion for sharing career guidance and professional advice, and overall support for their colleagues.

In 2008, 14 individuals were selected from among 900 nominees for exemplifying mentoring best practices of guiding, advising, and supporting the careers of their mentees. The winners join the Operations Committee, which comprises all the leaders of KPMG's businesses, for a celebratory dinner in their honor. In addition, all nominated mentors receive a personalized thank-you note from their mentee for their support on National Thank Your Mentor Day, and regional office managers distribute a local list of mentors who were nominated from his or her regional office.

In addition to reinforcing accountability, the National Mentoring Award and National Thank Your Mentor Day are communication vehicles. Announcements regarding the award and nomination process provide opportunities for local messaging that reinforces the importance of mentoring and encourages non-participating employees to become involved in the program.

### **Challenges**

At the outset of the mentoring program in 2004, KPMG implemented a cumbersome system whereby mentors and mentees were required to complete and submit paperwork at three-, six-, and 12-month intervals. Management received feedback that program participants just wanted to spend time in the mentoring relationship rather than filling out forms. By eliminating the extensive tracking system, KPMG limited bureaucracy and increased employee satisfaction.



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### **Catalyst Change Drivers**

#### **1) Communication**

Management communicates and promotes mentoring via a number of channels. Mentoring materials and resources are accessible on KPMG's intranet site. Firm-wide e-mails specific to the mentoring program are sent several times each year. Materials are provided to self-identified mentors and mentees via Dialogue. Participants are also encouraged to utilize their mentors to ensure that they have effective and meaningful discussions with their performance managers at review time and during goal-setting.

KPMG's six national employee diversity networks are linked to the mentoring program as well. For instance, guidance, materials, and input on mentoring are provided to the Women's and Diversity Advisory Boards. Local KPMG Network of Women (KNOW) chapters also host mentoring lunches and educational sessions, ensuring that affinity group activities are linked to KPMG's firm-wide mentoring program.

#### **2) Measurement Tools**

Through the computerized Dialogue system, KPMG is able to analyze the mentoring data provided by employees in a variety of ways, including by gender, race/ethnicity, practice group, functional level, and age. The firm is also able to compare turnover rates of people with mentors to those without to better understand the relationship between mentoring and career development. In 2008, turnover among staff and managers with mentors was 17 to 18 percent lower than it was for those without mentors. Among partners, those with mentors experienced 50 percent less turnover than those without. KPMG also views the annual increase in mentor relationships as evidence that the program is successful and valuable to employees.

By closely tracking these data, KPMG is able to show the impact mentoring has on the overall culture. As of 2008, 30 percent of mentees and 20 percent of mentors were minorities, and 48 percent of mentees and 43 percent of mentors were women. In terms of racial breakdown within pairings, 24 percent of mentor relationships featured one white participant and one person of color, and 12 percent featured two people of color. In the remainder of pairings, both mentee and mentor were white. Thirty-one percent of mentoring relationships featured two women, and 43 percent featured two men. The remaining 25 percent featured a woman and a man. Through the success of the initiative, KPMG has been able to show the positive impact that mentors have on mentees, many of which are women or from underrepresented groups. These pairings also encourage inclusion and foster a work environment that KPMG is proud of.

Qualitative employee feedback and low staff turnover rates further communicate the success of the mentoring program. In KPMG's 2008 employee survey, 77 percent of

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employees reported that they agree that firm management actively supports and encourages mentoring relationships, an increase from the previous year. Staff, managers, and partners with mentors are also more likely to stay with the firm.

### **The Impact of the Activity, Program, or Policy**

Participation in KPMG's mentoring program has steadily increased based on self-reported data from annual employee satisfaction surveys and Dialogue. KPMG views the annual increases in mentoring relationships as evidence that the program is successful and valuable to employees. From the start of the 2008 fiscal year to the start of the 2009 fiscal year, the number of women mentees increased by 36 percent; it has increased an additional 9 percent since the beginning of the 2009 fiscal year. The number of women mentors also increased by 33 percent during the same period. The number of mentors nominated for the National Mentoring Award has increased from approximately 700 in 2007 to nearly 900 in 2008. Additionally, qualitative feedback about the program from employees is positive, and turnover rates among employees at all levels are lower for those with mentors. Lastly, results from an employee survey showed that 88 percent of women who felt management supports mentoring also thought KPMG is a great place to build a career; only 36 percent of women who felt management does not support mentoring thought KPMG is a great place to build a career.

### **Next Steps**

KPMG is planning to encourage mentees to use the existing recognition program to specifically recognize mentors on a regular basis rather than exclusively through the National Mentoring Award. In accordance with KPMG's broad commitment to the program without mandating participation, this avenue of communication will further promote the program across the firm.

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