



Professional Practice Solutions

We'll take you the next next next level



Insight Dinner – 20 February – Post-event summary

The meaning of a high performance culture

KPMG's Professional Practice Solutions team were again proud to host another successful Insight Dinner on Tuesday 20 February in KPMG's client meeting and engagement space at Number Twenty Grosvenor Street, London.

The event was hosted by Paul Spicer, Head of Professional Practice Solutions; Guy Warrington, Head of Partner Matters and Clare Allen, Co-Lead Centre of Coaching who shared their thoughts, ideas and insights into their meaning of a high performance culture.

Below, Guy and Clare share their high level summary of topics discussed and themes to consider – please do get in touch if you would like to explore anything you feel would be beneficial to you and/or your firm..

The Partner lifecycle

Partner Recruitment and Promotions

Guy highlighted that despite a series of interviews by peers, there are still a number of direct hire Partners who do not find long term success with KPMG.

Why and what have we done about it?

Guy explained that Partners are hired on a business case basis not a personal case basis with KPMG, using only approved recruitment agents who are committed to providing a diverse shortlist. We require external evaluation for all of our internal and external candidates where key skills and attributes are mapped against successfully established Partners.

Most notably, Guy explained that an existing Partner must be personally accountable for the success of a newly recruited Partner and the achievement of the business case.

Reward

Guy informed the group that during his time with KPMG there have been a variety of Partner pay schemes. These range from Units and Unit Values, to base pay and bonus, to the current model of benchmark pay, one-firm profit share and a discretionary bonus component.

The proportions of the current model are 60% of benchmark pay, 20% one firm profit share and 20% variable pay which can range from 0-200% i.e. double the band based on achievement against agreed goals.

We are in the process of introducing grades of equity Partner with aligned performance goals at the different levels of benchmark. A balanced scorecard tool is used for the measurement of goals, and 360 feedback is an important element of the process.

Guy explained that Partner pay is all about the perceived fairness in the system. To aid fairness and transparency in the system we took the step to internally publish our pay bandings so that any Partner can view their peers' benchmarks. In the event someone is not satisfied with the decision on their remuneration, Guy explained that we have a two stage pay appeal process. This allows individuals to either launch an appeal in the year in question or to register their dissatisfaction with their remuneration and for relevant factors to be considered the following year.

Retirements

Guy next turned his attention to Partner retirements and commented that the majority of our Partners have a long service with the Firm. This can make the transition to retirement a sensitive matter to consider. Traditionally, Partners have been reluctant to talk openly about their future plans as they perceive a risk of being badged in a disadvantageous manner. Guy and the Partner Matters team encourage open and honest conversations on this topic, with the Partner and their business unit to facilitate early discussions and allow for active planning.

We are making progress in ensuring visible succession plans are part of Partner goals. In addition to this, we ensure that both retiring and new entry Partners take financial planning advice as they prepare to join and leave the Partnership.

Wellbeing

We have increased our focus and support offering on Partner wellbeing, most notably mental health. We have introduced several programmes to assist Partners in achieving a better level of work life integration. These programmes are important in helping individuals understand the signs of stress, learning how to have conversations with stressed colleagues and the support available in order to have a confidential conversation.

Recently a programme has been implemented which provides Partners with over 7 years' service to take a sabbatical. Guy explained that this programme is designed to encourage Partners to take time for their own fulfilment and does not require set goals to be achieved whilst on sabbaticals.

FY18 will see the introduction of our risk based Partner medical programme. This programme will have a greater focus on Partners' individual needs having taken into consideration their personal circumstances as opposed to an 'one size fits all' approach.

Behaviours

The bar on the standard of behaviours which are acceptable has significantly raised. We are making it clearer than ever that as leaders, our Partners' behaviour must set the tone. Guy and the Partner Matters team seek to help Partners that are willing to be helped and encourage them to look out for their peers. We continue to work on providing performance group leaders with the necessary training in dealing with matters of poor behaviour and having the confidence to call out behaviour which falls below the acceptable levels.

Work in progress

To close the session, Guy concluded that whilst we have made strides of progress, we will always have work to do as the wider world, and the world we operate in, change. Our current key areas of focus are:

- the diversity in our representation and pay including an increased focus on the gender pay gap;
- open succession planning;
- open admission to mental health issues; and
- complete transparency and honesty between Partners for their accountability

Finally Guy closed with his personal requirements for long term success in the Partnership:

- Health
- Having fun
- Feeling he is contributing
- Being told he is contributing

The next generation of Partners

Clare then explored what we are looking for from our next generation of Partners through three lenses, based on her experience as an executive coach at KPMG working with our current and potential Partners. Clare also highlighted some of the potential challenges that she sees firms facing when looking at these aspects.

1) What do firms need from Partners of the Future?

Clare identified three key aspects that she believes Partners of the future will increasingly need to lean into to thrive in our increasingly complex world.

Change Agility – having a positive mindset towards change and uncertainty. Understanding one's own instinctive reaction to working with change and working in an environment of shifting sands and being able to thrive and embrace ambiguity and uncertainty.

Digitally literate – not becoming technologists, but having a positive mindset and attitude towards digitisation and the opportunities this brings. Embracing technology and leading from the front.

Collaboration focused – co-creating with our clients, forming collaborative alliances with others in our ecosystem and working in strong teams with fellow Partners will be the way firms are successful in the future.

Challenges these three aspects bring to professional services firms:

- We value expertise and problem solving, these qualities may not always sit well with ambiguity and uncertainty
- We often reward individual performance and this may hinder genuine collaboration

2) Possible desires of future potential Partners

Recognising there are potentially some changes in drivers for people and what they are looking to get from their roles, Clare highlighted some of the ones she sees becoming more prevalent.

The search for purpose and meaning in a role – the desire to seek personal meaning in the work one undertakes

Work/life integration – the desire to thrive in all aspects of one's life (work, family, social, community)

Support and challenge – the desire to work in an environment that nurtures and provides stretch, challenge and the ongoing opportunity to learn new skills and take on new roles

Challenges these three aspects bring to professional services firms:

- The perception that the role of a Partner is 24/7 may mean that we see individuals deciding that the Partner role will not fit with what they want from life
- Being able to give our Partners stretching opportunities that have meaning for them, possibly at the sacrifice of them continuing to lead a profitable workstream (that no longer provides them, personally, with challenge)

3) Possible development support

Lastly, Clare turned her attention to the development support that firms should be looking at to help individuals personally thrive and meet the challenges of a Partner of the future.

Increasing self-awareness – helping individuals understand their drivers, their relationship with change, digitisation and collaboration, and emotional intelligence

Different and provocative thinking – providing individuals with opportunities to think differently and exposing them to different environments which will stretch them and broaden their perspectives

Learning collaboratively – peer to peer learning, team coaching, and opportunities for individuals to learn with and from each other

Time and space – giving individuals permission to take time to reflect, recharge and refresh.

Clare highlighted that the most significant shift she would see organisations needing to make to enable Partners of the future to be successful, was providing them with the permission to take time out to breathe and step back from the rush hour of their working life. Slowing down to speed up. Clare noticed that when she is working with individuals, the space to think is something they value the most and helps them refocus and build better strategies for work, life and personal wellbeing.

Our events in the legal sector

This dinner was one in a series to bring you thought-provoking insight into real-time topical issues and challenges that you're likely to be grappling with. If you're receiving this email you're already on our invite list for these events. We'll be running event specifically aimed at CEOs; CFOs; CIOs and HRDs so if you'd like to be invited, do [get in touch](#).

If there any subjects you'd like to see covered at a future event, please [let us know](#).

KPMG in the legal sector

We have brought together some of the best professionals from across our firm with relevant insight and experience in the legal sector. We co-ordinate and deliver a collaborative approach to your business whatever challenges you encounter – looking to the future and the bigger picture with you. Our [service offering document](#) gives you an over view of our specialists. Please also take a look at our [Professional Services](#) website where you will find more insight and details about our sector-focused team.

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