

BY ANDY KANEFIELD AND MARK POWERS

Ralph Clermont, managing partner of global audit, tax, and advisory firm KPMG LLP's St. Louis office, is "blown away by what happens when people do the leading," he said. "I see my principle role as creating a work environment that enables people to flourish on their terms."

"I learned a lot about our employees and leading them when we began participating in the Great Places to Work survey. After Arthur Andersen dissolved and Sarbanes-Oxley was enacted, we had a workload increase of more than 20 percent. We placed incredible additional demands on people in an already demanding profession. We have a lot of deadlines and acquisitions come up that you can't plan for. We realized that retaining our people was going to be critical, not just for growth but for surviving."

How did you tackle this retention challenge?

"Our CEO at the time, the late Eugene O'Kelly, set a goal to be the employer of choice among the Big Four accounting firms. So being accountants, we decided to measure it. In 2003, we began to participate in the Great Places to Work survey. This became a focal point for us. The goal was to significantly reduce turnover.

"The baseline question for the survey was "Do you think KPMG is a great place to work?" Our first year, the affirmative response for St. Louis was 64 percent. I was surprised and disappointed to think that one third of our employees didn't think this was a great place to work.

"So we took a structure we already had, the Local Action Council, and committed to working on four of our lowest subscores:

- Management keeps me informed about important issues.
- Management involves people in decisions that affect their jobs and work environment.
- People are encouraged to balance their work and personal life.
- This is a fun place to work.

"The Council decided to create a

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BRIAN CASSIDY

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task force for each of the low sub-scores. We drafted people from all levels of the organization — audit, tax, advisory and client support services.

“It has been the absolute greatest thing we could have done. The change in our culture has been dramatic. It was a shift from a partner-led culture to an employee-led culture. It’s meant more flexibility, more recognition and empowering people to work more on their terms.

Maintaining energy

Loehr and Schwartz’s approach breaks energy into four components:

- Physical energy is the fundamental source of fuel in life.
- In order to perform at our best, we must access pleasant and positive emotions: the experience of enjoyment, challenge, adventure and opportunity.
- Mental capacity is what we use to organize our lives and focus our attention.
- Spiritual energy provides the force for action in all dimensions of our lives. It fuels passion, perseverance and commitment.

“We had a huge leap from 64 percent to 77 percent in the second year, and our scores continued to improve to an all-time high of 93 percent in 2007. I attribute that to the extensive involvement we had from our people. We had about 70 percent of our people involved in the process itself.

“Historically, turnover rates for public accounting firms are 20 percent to 25 percent. We cut our turnover rate in half. The business punchline is that lower turnover results in lower costs and happier clients.

“Then in 2006 we had a large influx of new business, and our people worked longer hours. As a result our “work-life effectiveness” scores dropped significantly. So our Local Action Council jumped into action again and teamed up with a task force, and the result was the Just Ask program. The central theme of Just Ask is that if you have a need to change some aspect of work life so that critical personal needs can be met, you should just ask.

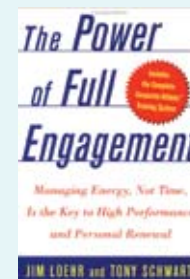
“In one case, a partner and senior manager proposed that they each work a 60 percent work load. And now we have two satisfied partners — the senior manager having been admitted into the partnership last year — sharing an account load. After introducing Just Ask, our work-

Get fully engaged

KPMG is in a numbers-driven business. So how does KPMG encourage and maintain high performance?

When the late Eugene O’Kelly, former CEO, introduced the Employer of Choice emphasis, he brought all the partners together for training from Jim Loehr on priorities from his book, “The Power of Full Engagement: Managing Energy, Not Time, Is the Key to High Performance and Personal Renewal” by Jim Loehr and Tony Schwartz.

The thesis of the book is that energy, not time, is the fundamental currency of high performance. The number of hours in a day is fixed, but the quantity and quality of energy available to us is not. Without the right quantity, quality, focus and force of energy, we are compromised in any activity we undertake.



life effectiveness scores shot up 21 percent in one year.

“The great thing about Just Ask is that no partners had input into the program except to let it happen.”

What advice do you have for others wanting to work on becoming an employer of choice?

1. The more employee participation you have, the better results you’ll get. Seventy percent of our employees participated in some way in helping us improve our work environment.
2. Focus on three or four areas on which to improve. Too many ini-

tiatives won’t be as effective in maintaining focus.

3. Measure your results. The scores weren’t our end game since our overarching goal is to serve our clients well. But our results on these measures became a key motivator.
4. Don’t swing for the fences. Keep your goals achievable and sustainable. Hitting singles every day is more sustainable than trying to hit home runs.
5. Continually repeat the message; repeat the goal. It often takes six or seven times in order for the goal to really come alive.