Ernst & Young HR Leading Practices

Jeddah – Jan 2008
Agenda

• Introduction to E&Y
• Recent HR Initiatives
• Q&A
Ernst & Young

An Overview
Ernst & Young - Who Are We

110,000 professionals in 132 countries world-wide......

- **Leading Global Firm** All our offices and people, wherever they are located, practice under common professional, ethical and independence standards. We utilize common methodologies that integrate risk analysis and business analysis with statistical techniques and computer tools.

- **Best People** Highly experienced subject-matter-experts who will participate as members of our core team.

- **Best Practice** Recognized as a leading professional services provider with supporting methodologies and tools
Ernst & Young - Who Are We

The Middle East practice is an independent professional firm, which has been present in the region since 1923 and is a member firm of Ernst & Young Consulting International. During the last 79 years, the firm has evolved to meet the developments within the area and today our clients are served by over 3,000 professionals, out of 18 offices in 13 countries in the Middle East.

1. Baghdad 1923
2. Bahrain 1928
3. Beirut 1947
4. Doha 1950
5. Kuwait 1952
6. Amman 1953
7. Abu Dhabi 1966
8. Dubai 1966
10. Riyadh 1968
11. Al Khobar 1969
12. Sana’a 1971
13. Muscat 1974
14. Sharjah 1974
15. Cairo 1985
16. Ramallah 1994
17. Damascus
18. Libya 2007
Our Strategy... Clear, Focused

Three Strategic Drivers

Strategic Objective

Three Foundational Elements
Ernst & Young Structure

Assurance  TAX  Business Advisory Services

Privatization and Restructuring
Transaction Advisory Services
Technology and Security Risk Services
Fraud Investigation and Dispute Services
Business Management Advisory Services

Technology Enablement  Business Improvement  Program Assurance  Finance Functions  Human Capital Services

Performance / Reward
- Compensation & Reward
- Performance Measurement & appraisal
- Competency & Assessment Centers
- Training Development Plans
- HR Policies & Procedures

People Strategy
- HR Strategy Articulation
- Organization Design
- Job Evaluation & Grading
Ernst & Young Structure

Assurance  TAX  Business Advisory Services

Privatization and Restructuring
Transaction Advisory Services
Technology and Security Risk Services
Fraud Investigation and Dispute Services
Business Management Advisory Services

Service Lines
Sub Service Lines
Industries
Geographies
Support

Jeddah  Khobar  Riyadh  Amman  Dubai  Muscat  Kuwait  Doha  Bahrain  Cairo

Human Resources  Legal  Marketing  Finance & Acct  Risk & Quality

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Quality In Everything We Do
HR Practices

Recent Initiatives
E&Y Recent HR Initiatives

- Rank Harmonization
- Competency Framework
- Accelerated Leadership Plan

<table>
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<th>EYLeads</th>
<th>Personal Learning and Develop Program</th>
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<td>New Graduate Program</td>
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Rank Harmonisation
Introduction

The project
18 global ranks
Introduced from 30 June 07
Definition of ranks
Project Overview – the drivers for change

Our clients think and act globally
The need for a global mindset

Harmonised rank definitions, across borders, are needed to:
• drive the consistent standards that will support our promise of providing seamless, consistent, high-quality client service, worldwide;
• mobilise our people across borders;
• meet increasing regulatory demands;
• support better reporting and business management.
Rank Harmonisation: The Benefits...

For our business...

- The **right people in the right place at the right time**
- **Area Effectiveness**
- **Clearer people definitions** and greater transparency around their credentials
- **Better definition of our core business services**, enabling us to appropriately invest in development of this important population.
- Greater clarity around career models will help us **recruit and retain talent**.
Rank Harmonisation: The Benefits...

For our people...

- **Greater clarity around their career path** and what is required to move from one rank to another. This supports our efforts to **promote** people on a fair and equitable basis.
- Easier for us to **identify and define mobility opportunities**
- It will also **help all our people take advantage of learning and development opportunities**, enabling us to better share and leverage materials (eg Intro to Manager).
Career Path - Definition

- EY Global has 5 career ranks for client service employees and are primary career milestones

- A change in rank means a change in responsibility, competency level and authority

- Promotion is a movement from one rank to another

- There will be a ‘grow or go’ ethos at each rank
Client Service Ranks

- Partner/Principal
- Senior Manager
- Manager
- Senior
- Staff/Assistant
- Intern
- Executive Director
ME BAS Career Path

Consultant 1 & 2
Senior Consultant 1 & 2
Manager
Senior Manager 1 & 2
Manager
Senior Manager 1 & 2
Director
Senior Director
Partner

Rank
Grade

SADC
SMDC EMDC
PAC

2 years  3 years  2 years  4 years  ~12 years to Partner
3 years  4 years  2 years  4 years  ~14 years to Partner

Fast Track
Interim Track

Quality in Everything We Do
# Mapping of BAS Grades – Middle East

<table>
<thead>
<tr>
<th>Current Role / Business Title</th>
<th>Proposed Global Rank</th>
<th>Proposed Grade All SSLs (NEMIA)</th>
<th>Proposed GFIS Rank</th>
<th>Today’s Progression Track</th>
<th>Interim Progression Track</th>
<th>Fast Track</th>
<th>Relevant Years of Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner</td>
<td>Partner</td>
<td>Partner (5)</td>
<td>111</td>
<td>16+ Track</td>
<td>14+ Track</td>
<td>12+ Track</td>
<td>12+</td>
</tr>
<tr>
<td>Director</td>
<td>Executive Director</td>
<td>Director (4)</td>
<td>131</td>
<td>2+</td>
<td>1</td>
<td>1</td>
<td>12+</td>
</tr>
<tr>
<td>Executive Manager</td>
<td>Senior Manager</td>
<td>Senior Manager (4)</td>
<td>(SM2) 212</td>
<td>Up to 4</td>
<td>Up to 4</td>
<td>Up to 4</td>
<td>8+</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>Manager</td>
<td>Manager (3)</td>
<td>321</td>
<td>Up to 3</td>
<td>Up to 2</td>
<td>Up to 2</td>
<td>6-8</td>
</tr>
<tr>
<td>Supervisor</td>
<td>Senior</td>
<td>Senior Consultant (2)</td>
<td>(SC2) 422</td>
<td>Up to 4</td>
<td>Up to 4</td>
<td>Up to 3</td>
<td>2-6</td>
</tr>
<tr>
<td>Senior Analyst</td>
<td>Executive (TAS)</td>
<td>Consultant (1)</td>
<td>(C2) 442</td>
<td>Up to 3</td>
<td>Up to 3</td>
<td>Up to 2</td>
<td>0-2</td>
</tr>
<tr>
<td>Assistant Analyst</td>
<td>Consultant (TAS)</td>
<td>511</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trainee</td>
<td>Intern</td>
<td>Intern</td>
<td>511</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:**
- Interim Progression Track
- Fast Track
- Relevant Years of Experience
Language and Terminology

• **Ranks** – *our primary career milestones internally* – they are not external job titles.

• **Grades** – *subdivisions of ranks* that represent the way we measure the skills and experience of, for example, one Senior against another. **Maximum of four grades per rank**

• **Roles** – *responsibilities carried out by a person* defined by the competency levels required.

• **Promotion** – *movement from one rank to another*.

• **Progression** – *movement between grades* (within a rank).
What is a Competency?

Each competency includes, with equal weight and importance:

**Skills**  Consulting and technical skills we need to effectively deliver the BAS value proposition to clients and to sustain the BAS business. E.g. Networking.

**Behaviours**  The way in which we deliver to our clients and work together – the way clients immediately recognise, and we demonstrate, that we are BAS consultants. E.g. Consistently demonstrating BAS values.

**Knowledge**  The understanding of the BAS practices, client, business and industry context that drives the commercial relevancy and innovation of our work with clients. E.g. Informed opinions to drive conversation/dialogue.
BAS Competency Model Overview

The BAS Model contains following clusters:

<table>
<thead>
<tr>
<th>Core Business Advisory</th>
<th>The competencies we expect all of our BAS consultants to develop during their career as a BAS consultant independent of the part of the organisation they ‘belong to’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Levers of Change</td>
<td></td>
</tr>
<tr>
<td>Finance Domain Knowledge</td>
<td>The BAS Clusters and Associated Competencies</td>
</tr>
</tbody>
</table>
| Finance Domain Knowledge | Finance - Finance Rapid Assessment  
Finance - Finance Transformation / SSC  
Finance - Financial Statement Close  
Finance - Performance Management  
Finance - Forecasting, Planning, Budgeting  
Finance - Finance Process Effectiveness |
| Supply Chain Domain Knowledge |                                                                                                                                                                                                 |
| Customer Domain Knowledge |                                                                                                                                                                                                 |
| Technical Skills       |                                                                                                                                                                                                 |
The BAS DNA

We can become more distinctive in the Advisory market by emphasising 4 key characteristics

1. Valued Relationships
   We are at our best when we;
   • are both committed to a long term relationship
   • etc

2. Team Chemistry
   We are at our best when;
   • The EY team and client team become a high-performance team
   • We develop highly capable and very flexible consultants
   • We live our values

3. Real Insight
   We are at our best when we;
   • dedicate ourselves to creating innovative and actionable insight for our clients
   • etc

4. Sustainable Improvement
   We are at our best when we;
   • Make good and lasting change happen in our clients
   • etc
BAS Competency Model

**Build Valued Relationships:**
How we work with our clients to create mutually valuable relationships

**Develop Team Chemistry:**
How we attract, grow and retain our people and develop high performance teams

**Technical:**
The industry and offering knowledge, skills and experience we bring to bear in working with our clients

**Create Real Insight:**
How we create, develop and capture innovative and relevant knowledge and solutions

**Deliver Measurable Sustainable Improvement:**
How we develop and deliver valuable and sustainable solutions with our clients that have a lasting improvement on performance

**Maximise Business Operations:**
How we build and operate our business to deliver best value for EY, BAS our clients and our people

**Core**

**Technical**
### BAS Core Competencies

#### Key focus on internal relationships and gaining understanding of client relationship management

Build your peer network and take an active and supportive role in the team to enhance team effectiveness

Lead development of fresh insights to build internal and market profile as an SME, anticipate changing client needs to ensure cutting-edge point of view

### Skills Summary for Core Competencies

<table>
<thead>
<tr>
<th>Deliver Measurable Sustainable Improvement</th>
<th>Create Real Insight</th>
<th>Develop Team Chemistry</th>
<th>Build Valued Relationships</th>
<th>Maximise Business Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conduct research</td>
<td>Generate ideas</td>
<td>Communicate effectively</td>
<td>Engage with client and team</td>
<td>Demonstrate commercial awareness and rigour</td>
</tr>
<tr>
<td>Analyse data</td>
<td>Shape solutions</td>
<td>Coach self and others</td>
<td>Understand, interpret and evaluate client and team needs</td>
<td>Strategic and operational planning</td>
</tr>
</tbody>
</table>
Accelerated Leadership Program
The ALP is an exclusive programme for our strongest leadership talent

<table>
<thead>
<tr>
<th>The ALP</th>
<th>A firm-wide, three year programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>Accelerating the development of leadership and business skills</td>
</tr>
<tr>
<td>Goal</td>
<td>Increase the diversity and power of our leadership strength</td>
</tr>
<tr>
<td>Acceleration</td>
<td>An accelerated but not exclusive route to partnership</td>
</tr>
</tbody>
</table>
Overview of the ALP

Formal learning
(skills workshops)

Informal learning
(on-the-job experiences)
# Formal Learning

<table>
<thead>
<tr>
<th>Activity</th>
<th>Annual Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Conference</td>
<td>2 days</td>
</tr>
<tr>
<td>National Leadership Development Workshops</td>
<td>2 x 2 days</td>
</tr>
<tr>
<td>BU-specific Leadership Development Workshops</td>
<td>BU specific</td>
</tr>
<tr>
<td>Speaker Events</td>
<td>4</td>
</tr>
<tr>
<td>Insight Seminars</td>
<td>4</td>
</tr>
</tbody>
</table>
## Informal Learning

<table>
<thead>
<tr>
<th>Activity</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stretching ‘on-the-job’ work experience</td>
<td>Counselor</td>
</tr>
<tr>
<td>Formal workshadowing scheme</td>
<td>Partners/Clients</td>
</tr>
<tr>
<td>Action Learning Group (ALG)</td>
<td>ALG Facilitator</td>
</tr>
<tr>
<td>Development Contract</td>
<td>Counselor/Mentor</td>
</tr>
<tr>
<td>Mentoring</td>
<td>Partner Mentor</td>
</tr>
</tbody>
</table>
The ALP is a 2-way deal

Firm
- Partner Sponsorship
- On the job challenge
- World-class training
- High quality support and coaching

Individual
- Ownership of personal development plan
- Courage to move outside comfort zone
- Professional commitment to the programme
- Mindset which embraces ambiguity and new challenges

VALUE EXCHANGE
2007 Selection Process
Assessed against three dimensions

**Potential**
- ‘High Potential’ or ‘Best in Class’
- Recognised for their learning agility

**Performance**
- Continued rating as ‘5’ or ‘4’
- Significantly outperforming peers

**Values**
- Personal alignment with our values
- Role model of our values in action

*The ALP is now open to individuals in both client-facing and business support roles who are up to 12 months either side of promotion to manager*
Although only 29% of current high performers are also high-potentials, 93% of high-potentials are high performers
Three ways in which high performers fall short

- Misaligned Stars
- Engaged Dreamers
- Unengaged Stars

Aspiration
Ability
Engagement
Is your counselee really demonstrating high potential?

**ABILITY**
Skill to operate at a higher and more complex level of performance than required in the current role

- High performance in current role
- Analytical rigour
- Maturity
- Strong intellect
- Self-confidence
- Develops and builds influential relationships

**ASPIRATION**
High need for achievement and/or expressed desire to influence the organisation

- Commitment to self-development
- Appetite for new experiences
- Bravery
- Energy
- Thirst for learning
- Challenges status quo
- Initiative
- Track record of asking for, and learning from, feedback
- Makes a difference

**ENGAGEMENT**
Strong commitment to and identification with the organisation, combined with a willingness to put additional effort into work

- Alignment with our values
- Inclusiveness
- Passionate about EY
- Goes the extra mile
- Positive influencer of peer group
- Enthusiastic supporter of change
- Energy ++
- Develops and builds influential relationships

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Quality In Everything We Do
Selection criteria for ‘07 ALP

- Performance rating must be 5 or 4
- Nine Box Model rating must be ‘High Potential’ or ‘Best in Class’
- 12 months pre/post promotion to manager (determined w.r.t 1 October 2007)
- Open to client-facing and business support staff
The 2007 selection process combines both individual self-selection and BU nomination and sponsorship.

**STEP 1**
Firm-Wide Communication (May)

**STEP 2**
Counselor Notification (June)

**STEP 3**
BU Invitation to Selection (by 31 July)

**STEP 4**
BU Nomination (By 14 September)

**STEP 5**
Selection (August/September)

**STEP 6**
BU Nomination (By 25 September)

**STEP 7**
National Review (By 25 September)

**STEP 8**
Mike Cullen Confirmation (28 September)

**STEP 9**
ALP Conference (29/30 October)
Questions to help counselors with selection

Does your counselee meet the baseline selection criteria at this stage?

ALP participants will gain exposure to Mark Otty and the UK Leadership Team. What would Mark think of this individual and those who selected them?

If a client asked for a Manager from your group to work on a key project, would you immediately think of this person?

Is your counselee ready to focus on developing their leadership skills and is ALP the right environment for them to do so?

Do the partners believe that this person is demonstrating strong potential now to be a senior leader of the future?
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**THANK YOU**

Questions?