

# **INTRODUCTION**



We decided to write a book on career management at Michelin because it has never been done before. Authors have tackled different aspects of what is a truly fascinating story: the company's history, its technological and sporting achievements, its industrial relations record, the Michelin family, the hotel and restaurant guides, and its world famous logo, Bibendum or the Michelin Man, but never to our knowledge, its approach to career management. This is surprising, because Michelin's career management model, tried, tested and still as fresh as ever, provides answers to many questions facing employers and employees in their search for a more successful, more rewarding relationship. How, for example, can a company harness all the good will, talent, and creativity of its employees to improve business results, and how can employees, at the same time, experience a greater sense of fulfilment, passion for their work and respect for management and their colleagues while pursuing their own career goals? It is time to end the silence. Here is an example to be followed, not a secret to be carefully tucked away!

Michelin is the world's leading tyre company, universally renowned for its record of innovation, the consistent excellence of its products and the strength of its unique corporate culture. While regularly criticized in the past, in its French heartland, for its obsession with secrecy and its controversial approach to union relations, it is admired the world over as an organization which combines high performance with realism, discretion and strict moral standards, and puts people at the centre of its thinking.

Michelin has an all-encompassing, Group-wide approach to career management in which each person's capacity to grow takes precedence over the company's immediate operational requirements. Managers have a

duty to develop their employees but accept that no-one is their property. The Personnel function has a specific, clearly defined mission with dedicated resources to find the best possible match between management's needs and opportunities on the one hand, and individual personalities, competencies and aspirations on the other. Everyone at Michelin has an identified career manager, independent from line management, to help him realize his maximum potential over the long term, and in the company as a whole, not just in the confines of a given department, skill set or geographical location.<sup>1</sup>

“Managing Careers at Michelin” looks at the company from the inside. With thirty five years of service each, we are pure products of the Michelin system (which does not mean we are round and full of air!). But as international career managers for the Group, it was our job to make the system work and help it move forward with the times. We will present the policies and the thinking behind them. We will also give our personal description and interpretation of their day-to-day application: methods, tools, best practices and winning attitudes, with illustrations and real examples, and a selection of our own experiences, both good and bad. Hopefully, as “young” retirees, we are still close enough to remember but far enough away to be (just a shade) independent in our views. Let us start with some live action:

*A few years ago, we were talking to S, a young man who had recently joined Michelin UK as an accounting manager. He was impressive to say the least: square jaw, closely shaven head, vice-like handshake, and muscular frame straining to be released from his impeccable navy blue pin-stripe. Not quite the traditional image of his much maligned profession. His speech was spontaneous, his manner direct, and he told a fascinating story:*

*Having gained a degree in law at a respectable university, S had simply run away and joined the French Foreign Legion, in pursuit of a boyhood dream. His commanding officer was convinced he had committed mur-*

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1 - We use the masculine form, as opposed to the more correct “he and she” to lighten the text throughout the book. We hope this practice does not cause offense. It is certainly not our intention to do so.

*der or some other dastardly crime, but S assured him, and us, this was not true. After six years of action in the deserts of North Africa and the jungles of South America, he returned home, worked as an accountant for three years then joined a medium-sized company as credit manager. It turned out to be a high-tension, high-turnover outfit, and a year or so later, because of his good results and in spite of his lack of management experience, he was promoted to European credit manager, supervising his ex-colleagues in a dozen different countries. He managed a year of ferocious pressure and constant travelling before deciding there must be a better way.*

*The reason for telling S's story here is not to show that accountants can be interesting characters (although this one certainly is). It is to explain why he left his previous company and decided to join ours. He described how every manager was assigned a monthly financial target to achieve, each one more ambitious than the previous one. If a manager failed to hit the target three months running, he was automatically and unceremoniously fired. He explained that as European credit manager he had been obliged to apply this rule to several members of his country-level team. In the beginning this was done in the presence of his boss who, when confronted by the victim with perfectly reasonable and sometimes touching excuses, would systematically reply: "I'm not interested. You know the rules. You failed. You're out." This apparently was the only management system in operation. There was no time out for personal considerations, help for people in solving problems or straightforward listening. The money was good, but words like coaching, training and personal development were absent from the corporate vocabulary. Even if you could put up with all that, there did not seem to be much of a future except by riding roughshod over other people in the organization, awaiting your turn to fill a dead man's shoes, or being dead yourself.*

*So S was looking for a company with a future, one that would take an interest in its people for who they are and not just what they can do, and one that would offer opportunities for long term growth. He was not interested in the soft option, civil service style, where security was guaranteed and a cosy future mapped out even for the least deserving. He sought a serious professional challenge but in an environment where a certain number of*

*basic human principles were stated and applied, and above all shared. He wanted to develop at the right pace, and as a manager, help his people to do likewise. He chose Michelin because that is just the sort of atmosphere he had perceived during recruitment interviews. After a few months he had no reason to believe he had made a bad choice.*

S's case may be an extreme example, and he was sufficiently intelligent to tell it in a way he knew would appeal to his audience, but we have heard any number of similar stories over the years and probably never as many as now. How many people, especially young graduates, in spite of the challenging, high reward possibilities offered by many companies, feel there is something missing? We hear complaints that managers are distant and unavailable for personal discussions, leaving their employees, often working extraordinary hours, to get on with it. More significantly, managers are rarely in a position to coach them on development opportunities, and yet wield considerable power over their futures. In classic hierarchical structures, they decide everything unilaterally, including appointments and promotions, and there is no possibility of recourse to another, less partial authority, even if it may have a better solution to propose. In more complex matrix-type organizations, conflict can arise between two or more managers on these same issues, and in the absence of any form of credible arbitration, the outcome ranges from unsatisfactory compromise to plain stalemate. Hopefully a good decision will be forthcoming eventually, but after how many wasteful arguments and at what cost to relationships and personal pride, not to mention delays in business opportunities and the loss of hard cash? In the meantime, the people most concerned are left hanging, frustrated by the apparent lack of action and justice. In a final act of exasperation, they may end up voting with their feet and walk out the door to seek their fortune elsewhere. Or, perhaps worse in the long run, they elect to hang around, but firmly disillusioned, only contribute the minimum necessary in order to survive.

In a world of fierce competition, where recruiting and retaining the right people are often the keys to success, it seems worthwhile to explore a concept of career management that is clearly diametrically opposed to those described above. We are not going to expound on a new set of theories and pious hopes which have very little chance of ever seeing the

light of day in the real business world. The system we describe has not only proved successful, but also stood the test of time over a period of several decades in this company which has gone from provincial status to being an undisputed world leader, and which enjoys an outstanding and fully deserved reputation for the quality and loyalty of its people throughout the world.

Michelin is different from many companies in that its products still bear the name of the founders, and until recently, the President of the company. The family presence and the company's roots in the historically remote Auvergne region of France, where the newly-refurbished corporate headquarters are still to be found, account for some of its characteristics and, some would say, eccentricities. Its bosses have all been exceptional men, audacious yet down-to-earth, approachable, ambitious for the company but not for themselves, modest in their behaviour, and with a pronounced sense of duty towards customers and employees alike. According to French philosopher, Alain Etchegoyen, Michelin is a company with a soul.<sup>2</sup>

We did not put "A Three Star\*\*\* Career Guide" on the title page by accident or just to catch your eye. There are at least two good reasons for it. The first and most obvious is a less-than-subtle allusion to the well known rating system used by Michelin in its famous travel guides, for hotels and restaurants (the Red Guide) and for tourist attractions (the Green Guides). Three stars represent the highest possible compliment, as laconic as it is unambiguous: "Worth a journey". The career of a typical Michelin manager, a succession of different challenges on a choice of five continents, can indeed be likened to a journey of exception, filled with fabulous experiences and mouth-watering discoveries, and giving the willing traveller every opportunity to express his talent and satisfy all his tastes. But these same three stars are also a reference to the way Michelin's career management policy works in practice, in the everyday world. They represent the three principal actors --- the person concerned, his manager and his career manager --- in what we call the Career Management Triangle, each one of whom can legitimately claim to have star billing.

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2 - Alain Etchegoyen, 1951-2007, intellectual and consultant to government and business, author of several works on corporate ethics including "*Les Entreprises ont-t-elles une âme?*" ("Do companies have souls?") ed. F. Bourin, Paris 1990.

It would be wrong however to consider this book only as an exposé on the Michelin system by two, admittedly fervent, admirers. It is also a practical guide on how to implement an integrated global policy of career management in any large or medium-size organization, private or public, that understands the importance of investing in people, and it offers advice to managers and professionals everywhere on how to manage their own careers.<sup>3</sup>

Career management is not an exact science, and it is difficult to do well. But patterns emerge of what to do and what not to do in certain circumstances: how to conduct different types of interviews, how to create partnerships with difficult senior managers, how to tell someone nicely that his vision of a future career does not necessarily correspond with the company's, etc. We are not brilliant academics or high-powered consultants with offices in London, Paris and New York. We can only tell you what we have seen and done ourselves, and the lessons we have learned, often the hard way, over the years. We are not in the game of selling buzz words, flavour-of-the-month theories, or quick-fix solutions.

Our aim is to share our experience, interlaced with a minimum of theory, some homespun wisdom and a few funny stories, but against the permanent backdrop of describing how a well planned, fully integrated career management system can work, and what benefits it can bring. We are lucid enough to recognize that this is one model among many others, and that there are some down sides and question marks in what we are about to tell. Nothing ever has been or will be perfect and beyond reproach. But above all we are convinced that the concepts we describe and the spirit in which they are put into practice bring significant competitive advantages. This conviction is not just based on blind faith, self congratulation or some form of after-the-event corporate devotion to duty, but on the fact that many other practitioners, managers and human resources professionals, came to look at what we were doing and usually left expressing admiration and a fair amount of envy. We also have the direct evidence of thousands

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3 - We fully appreciate that the model cannot be applied lock, stock and barrel in every organization. Size, geography and the ability to invest in the necessary resources are some of the more obvious limiting factors. But the principles behind it are universal.

of Michelin employees and managers who love to criticize what we did but would not trade the fundamental concepts for anything else in the world.