

# **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.



# **FRENCH-ENGLISH GLOSSARY**



We have written this book in two languages at the same time. We shared out the chapters between us, then each one wrote his part in his native tongue, Daniel in French and Alan in English. Then we swapped texts for criticism, revision and translation. This method of working had a certain number of advantages. Top of the list was the need for each of us to pay close attention to what the other had written. We questioned style, the choice of words, but more importantly, we checked the contents for accuracy and added ideas the author had not thought of. We could also ask for a passage to be removed or significantly modified. If the author accepted suggestions from the translator, he was responsible for rewriting his original text and the process started all over again. This constant interaction certainly made the writing more fun, and the fact we rarely clashed says something for our level of mutual understanding and complicity. But all these comings and goings also proved to be our ruin, for the process was unwieldy and agonizingly slow. Our only solace is that the result, however severely you judge it, is undoubtedly far better than anything either one of us could have produced on his own.

The translation is not word for word. Of course we tried to be as faithful as possible to the original, but we preferred to grasp the spirit of what was being said and express it our own way rather than produce a word-perfect conversion which does not hang together well in the other language. Humour is particularly difficult to translate because it is both cultural and personal. If a joke did not work in the other language and we could not find an equivalent, we dropped it. (This is probably not a bad thing since most of our jokes are pretty awful anyway.) We made a special effort to use the same idioms and style in our translations as we used naturally in our original texts, in the hope you would not be able to tell one from the

other. We are a long way from that level of perfection, but we are not going to make life easy for you by telling you which is which!

The translation from French to English poses some unique problems which do not necessarily occur the other way round, because France in general and Michelin in particular use words in personnel management which have no English equivalents. Inside the company, it is so much easier to stick to the French words because they are part of a corporate language that everyone understands, even if nowadays the company is almost entirely bilingual. Unfortunately, that does not help outsiders. You would be understandably confused and justifiably upset if we were to rattle on in a strange mixture of *Franglais* and pidgin Michelin.

We struggled to find English counterparts for several words and phrases in this category, and the result is not always inspired. At best, the English version is long and awkward, like “managers and professionals” for *cadres*. Or there are several different translations of the same word because no one English equivalent fits all the French applications of it. *Métier* is a good illustration. In some cases we admitted defeat and kept the French word because nothing exists in English to convey the precise meaning. *Les Grandes Ecoles* for example, not to be confused with the less prestigious *universités*, are unique to France.

The upshot is not all negative however. You who are reading the English version of the book are getting this French-English glossary by way of a free supplement! We give our definitions, but also our personal interpretations of what lies behind the words, for some of them can arouse passions.

**Cadre:** A *cadre* is a manager or specialist who has, or is destined to have senior responsibilities, and enjoys a legally-binding separate status from other salaried people. The actual level of responsibilities can vary from one company to another (Michelin’s definition is more restrictive than many), but is rarely below what we would call middle management. For example, in a typical factory, the factory manager and his direct reports (head of production, engineering, quality, etc.) would normally be *cadres*, but line supervision and technical and administrative employees are not.

So in a factory of say 1,000 employees, there are probably no more than seven or eight *cadres* in total.

There are two ways of achieving *cadre* status: by educational qualifications or by promotion. In the first case, a graduate with four or five years' higher education from a good university would normally be recruited *cadre* (for a graduate from a *Grande Ecole*, it is automatic) even if at the beginning of his career he exercises responsibilities at a junior level. Promotion to *cadre* comes with experience, achieving senior responsibilities through merit, and exemplary behaviour. The central idea is that a *cadre* is a devoted servant of the company, exemplifies its values and represents top management. He enjoys certain advantages, but in return is expected to be loyal, self-reliant and available to carry out his mission at all times.

We cannot translate *cadre* by “manager”, because many *cadres*, in research, administration etc. are specialists and have no management responsibilities in the English sense of managing people. Nor can we use the word “senior” because the status (and this is the aspect which ruffles Anglo-Saxon feathers the most) is awarded straight out of school to first job graduates in very junior positions. The phrase “managers and professionals” is about as close as we can get, but as often as not we stick to the original French word for convenience and to lighten the text.

In French companies the distinction between *cadres* and the rest of the salaried population is formal and public. Some argue this is yet another example of privilege in what is already an overly status-conscious corporate mentality. Others extol the merits of being able to identify a dedicated élite that the company can count on to defend its interests at all times. The fact is the classification exists and is not likely to go away.

**Métier:** This is a far more difficult word to describe because it is used in many different circumstances. Its first meaning is a trade or profession requiring specialized training or an apprenticeship. But it is less restrictive than the English word “profession” which is usually reserved for intellectual occupations like law, medicine or teaching. Even the English words “trade” and “craft” are subject to tighter controls, for in France, serving tables, cleaning gutters and selling used cars are all “*métiers*”. The

Larousse dictionary definition goes so far as “any activity which allows one to make a living”. In this context, the best general equivalent is probably “line” or “type of work” as in “What line is he in?” or “What type of work do you do? The word is used liberally and not always happily. Being a parent has become a *métier*, and it is not uncommon nowadays to hear fruit growers, cheese makers, wine merchants and restaurateurs being referred to collectively as *les métiers de bouche* (“the mouth trades”!). Surprisingly, dentists, stand-up comics and politicians are not included in the definition.

In spite of this increasing laxity, the idea of a bond between members of the same professional *métier* still exists, with common codes and rules, and tribal instincts for self-preservation reminiscent of the old guilds and corporations. A good example is Michelin’s sales force. Educated in the same *Ecoles de Commerce*, recruited according the same strict criteria, trained at length and managed day to day by area sales managers cast in the same mould, technically competent and proud of the same products they sell, they can be rallied behind a common objective and marshalled into battle formation in a flash, as soon as a their supremacy is threatened. We have translated *métier* in several places, very lamely, by “professional discipline”, our only excuse being that it was a less abysmal expression than all the others we could think of.

Unfortunately our problems are not over. By extension, the word *métier* has become synonymous with the characteristics that members of a given profession are supposed to acquire through tenure: know-how, expertise, technical skills. Consequently, we must not confuse *avoir un métier* (to have a trade) with *avoir du métier* (to have practical experience, to be skilled). Finally, we are forced to acknowledge total defeat over one of our ex-colleague’s pet expressions. Whenever we rushed to congratulate J-C for pulling off another career management master stroke, a move of rare brilliance, he would just grin coyly and say: “*Ah, c’est un métier!*”

**Stage:** Nothing to do with theatricals, *stage* means a period of (usually practical) training or work experience. In some professions a *stage* is part of the certification process during or after studies. Many companies in France offer *stages* to undergraduates to give them work experience but



also to observe them closely, with an eye to recruitment after graduation. Michelin is well known for the quality of its student *stages*, offering work experience at home or abroad. The most famous *stage* at Michelin however is the integration programme for new *cadre* recruits to the company, called SGP Stage (see Chapter VI).

**Gestion:** Another difficult word. In many cases it can be translated by “management”, but not always. It comes from the verb *gérer*: to administer, to run (an organization) or to handle (a situation). In Michelin for many years the commercial organization was in two parts, with sales and marketing on one side and sales administration or *Gestion*, in charge of logistics, financial control, information systems etc., on the other. As far as our subject is concerned, *la gestion du personnel* is the straightforward equivalent of “personnel management” and *la gestion de carrière* means “career management”. A *gestionnaire de carrière* is responsible for managing people’s careers. He is not necessarily a manager in the strict hierarchical, man management sense of the word.

If you think this is confusing, spare a thought for the poor French. They have no one word for “management” or “manager”. In familiar language, the boss is *le chef* or *le patron*. More formally, a manager is called *un responsable* or more precisely *un responsable hiérarchique*, often shortened, inelegantly, to plain *hiérarchique*. In fact, more often than not, and much to the purists’ mortification, *le manager* is used to get round the problem, as is *le management* and even the verb *manag-er*, to manage. Expressions like “*c’est un bon manager*” or “*il manage bien son équipe*” have entered the language.

**Gérant:** Another word derived from the verb *gérer* and also often translated by “manager”, it really means “managing agent” or someone who runs an establishment on behalf of someone else or a group of people. The owner of several stores for example might put a *gérant* in charge of each one. Michelin’s bosses are called *Gérants* because they are appointed by the shareholders to look after their interests. There may be one, two or more *Gérants* at any one time, but one is the senior partner, the equivalent of President or Chief Executive in a “normal” company. We use the title “President” when referring to the latter, and the accepted in-house translation “Managing Partners” when referring to the *Gérants* collectively.

Michelin's Gérants have a legal status and special responsibilities which set them apart from the vast majority of French bosses. (See chapter III).

**Les Grandes Écoles:** These institutions are recognized as *la crème de la crème* of higher education. Unlike universities, they are very difficult to get into. After high school, students spend two years at special cramming schools (*classes préparatoires*) which “prepare” them to sit the tough entrance exams. Degree courses generally last three years, making a total of five years tuition. Some schools were founded as military academies: officer schools like Saint Cyr (equivalent to Sandhurst in UK and Westpoint in USA) of course, but also the engineering school Polytechnique whose students take part in the military parade in Paris on Bastille Day wearing full dress uniform. Each year league tables are published to rank the best schools. Polytechnique, Centrale Paris, Ponts et Chaussées and l'Ecole des Mines regularly top the polls for engineering, while HEC and ESSEC score highest in business administration (marketing, finance, etc.). All these schools are in Paris.

All *Grande École* graduates are automatically and immediately entitled to *cadre* status upon recruitment. Major companies jostle to attract the best ones. Graduates from *les Grandes Écoles* form an élite in French corporate life. Old boys' networks are powerful, and the name of the school an employee attended sticks to him throughout his career.

So now you are armed to tackle the main text. If you run into passages where the English is awkward, perhaps you will recognize the language as “translationese” and show tolerance. If it is the original, we have no such excuses. *Bonne lecture!*