

The CEO's role in talent management

How top executives from ten countries are nurturing the leaders of tomorrow

Executive: Georges Le Mener

Title: CEO and President

Company: Accor (North America)

Location: Dallas

CEO since: 2000

Age: 58

Previous position: CEO and President of Accor Economy Lodging

Sector: Hospitality

US revenues (2004): US\$1.4 billion

Some companies say their success depends largely on their ability to develop great employees. Accor's chief executive of North America, Georges Le Mener, says exceptional workers ensure the sort of service that keeps customers returning to the hospitality giant's motels and hotels. "The philosophy we hold is that if we satisfied our customers, they are going to come back again and again, and that we can (then) deliver profit to our shareholders," Mr Le Mener says. "That brings us back to the idea that we are totally dependent on the quality of the people that we have."

Accor properties are located all over the world and range from budget accommodations to luxury resorts. Global revenues grew 8% last year to US\$9.2bn, partly fuelled by strong growth at U.S. budget motels such as Motel 6 and Red Roof Inn (Growth has been more sluggish at Accor's more exclusive hotels). Mr Le Mener oversaw the turnaround of Motel 6 in the early 1990s which was helped by upgrading his management team. "You need people who know their customers and their people," he says.

Mr Le Mener says quality is especially important among top executives who set the tone for the rest of the organisation. He sees talent management as a long-term process. "It takes time to develop people," he says. Towards that end, Accor has created a multi-faceted development programme featuring the company's own academies in key countries, where executives can improve their skills. The company also uses team-building exercises, executive coaching and mentoring. "We consider training the cornerstone of our company," he says.

A 37-year Accor veteran, Mr Le Mener spends about one-third of his time on talent management. On his regular agenda, he teaches an afternoon class at the Accor North America academy in Dallas every other month to groups ranging from 30 to 50 executives. Much of his audience is made up of newcomers to the organisation or managers who have been recently promoted. Mr Le Mener uses these opportunities to emphasise the company's service-oriented culture and development of talent. Managers are expected to prepare the people under them for more important roles.

These are themes that Mr Le Mener revisits frequently as he travels to properties throughout North America to talk to the staff. Such interactions also allow him to get to know promising executives. "I spend a lot of time in the field and the main purpose is to

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meet with people and make sure that everybody's pushing in the right direction," he says. Mr Le Mener has 10 direct reports, as well as 10 senior vice-presidents and about 60 vice-presidents.

Accor's talent management begins with recruiting and identifying the most promising managers. In the past 15 years, the parent company has made a special effort to improve its ability to evaluate executives. The firm upgraded from a traditional system in which managers were solely responsible for reviewing someone's work to a more open approach incorporating feedback from supervisors, colleagues at the same level and subordinates. "We use a lot of 360-degree feedback so that we make sure it not only shows the opinion of the boss but we include the colleagues and even the employees you manage," Mr Le Mener says.

But Mr Le Mener says Accor, including the North American division, too often promoted executives who'd excelled in one position only to struggle in a new role. "Before, I was frustrated with the fact that sometimes you

promote people that are very good performers and they don't always succeed in a (new) position," he says. "So it sounds like a waste of talent both for the company and the individual. I feel very strongly that the company has a responsibility to promote people that are going to succeed."

As a result, about three years ago, Accor started using assessment tests to gauge executives' potential for particular management roles. New employees take an assessment test within their first three months and subsequently about once a year. The company has been especially interested in measuring the qualities of senior managers, Mr Le Mener says. He says that assessments have already enabled Accor North America to make better, more nuanced decisions about promotions. "We realise that not everyone has high potential," he says. "They may be performing well in their existing responsibility, so we don't want to disregard them. We want to help them perform as well as they can, but we would be more careful not to promote them beyond their level of competency. It's probably where we have made the most progress (in talent management)."

Mr Le Mener believes classroom work should complement well-rounded job experience, including overseas assignments. Accor likes executives to serve in at least two different countries and business areas apiece before assuming a top-level position. The company employs 168,000 people and operates hotels in 90 countries and provides services in another 50. "We like to move executives around," Mr Le Mener says.

Accor North America uses executive coaches and informal mentoring to help managers. Mr Le Mener benefited from mentors early in his career, including the company's chairman. Human resources staff determines the best way to execute Accor's talent management strategy. They create appropriate development programs and track executives' progress. They also ensure that these executives are receiving the right promotions. The head of HR sits on Mr Le Mener's inner circle. "I see HR as the group that gives a manager a second opinion and makes sure we are fair and treat everybody equally," Mr Le Mener says. "They are a

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facilitator." He adds: "HR makes everything happen."

Results of Accor's approach have been encouraging in North America, where Accor fills about 80% of its executives from internal candidates and the rest externally. "You need to bring in some fresh blood," Mr Le Mener says. Accor North America can name potential successors throughout its senior management ranks. Turnover in the middle- and upper-management ranks has been low. "I think people feel good about the company," he says. "People here are respected and I think it goes a long way in terms of adding people willing to stay with the company."

Mr Le Mener says the retention of younger executives is among the bigger challenges to effective talent management. These managers may not want to wait for promotions and may seek jobs with other organisations. Mr Le Mener says it's important to provide these people with challenging new jobs and other opportunities to advance their careers. "I have to make sure they don't want to leave the company," he says.

He says that Accor also has to be flexible, willing to adjust its talent management strategy to meet different situations. When Mr Le Mener took his job in 1992, he inherited a struggling Motel 6 operation that needed new managers. Yet there was no time to develop executives. He fired about 14 of his top 20 executives and recruited people from other companies. "It was a crisis situation," Mr Le Mener says. "Changing management was definitely what we needed to do in that situation."

Mr Le Mener says his early professional experiences shaped his philosophy toward talent management. At one point, he worked directly for Accor's co-founders, Paul Dubrule and Gerard Pelisson, who impressed upon him the importance of treating employees well. "They had a philosophy that people are the most important thing in the company," Mr Le Mener says. "That always helped me in my career. I was blessed."