
PROFILES

The CEO's role in talent management

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

Executive: Bill Zollars

Title: Chief Executive Officer

Company: YRC Worldwide Inc. (formerly Yellow Roadway)

Location: Overland Park, Kansas

CEO since: 1999

Age: 58

Previous position: President of Yellow Transportation (a division of YRC Worldwide Inc.)

Sector: Transport and logistics

Revenue (2005): US\$8.7bn

Coach Bill Zollars? This is not what YRC Worldwide's 70,000 employees call their CEO. But Mr Zollars sees parallels between his job and the head coach of an athletic team.

Just as coaches design strategy to help players improve, Mr Zollars is responsible for his staff's growth, starting with senior management. He says that senior managers set the tone for their organisations. If they are performing exceptionally, so do the people below them.

While Mr Zollars cannot statistically measure the benefits of his talent management processes, he links YRC's strong performance in recent years to the quality of his executives. Following major acquisitions in

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2003 and 2005, YRC revenue rose by 30% last year to US\$8.7bn, while net income increased by nearly 60%. The company has expanded significantly worldwide, especially in China, through a series of joint ventures. To reflect its growing international presence, YRC renamed itself from Yellow Roadway on January 5th 2006. Two weeks later, the board of directors awarded Mr Zollars a new five-year contract, saying that the agreement was "beneficial to its shareholders".

Mr Zollars says that when he assumed the

CEO's role in 1999, Yellow Roadway was less thorough about monitoring its employees' performance and providing training and other resources to help them improve. But Mr Zollars made talent management one of his priorities. YRC now scores executives on the productivity of their units—revenue growth, profitability and customer satisfaction. But the company equally weighs how managers have achieved their goals.

"The cumulative effect of doing a good job on talent management is how the company performs, so that's the overall report card that everybody gets," explains Mr Zollars. "Companies that don't manage their talent well are not going to be successful in the long term. In any business, the only sustainable advantage you have is talent. Revenue growth, the ability to attract new people so you continue to infuse the company with new talent, all these changes are kind of measures of how well you're doing." But Mr Zollars adds: We want to make sure that people are doing the right things and doing them the right way."

Mr Zollars says that YRC is receptive to different management styles, assuming the company leaders are communicating with their employees successfully. YRC measures its leaders on whether they have been successful. "I think people have asked in the past: 'Is it more important to be respected or feared?' Fear is a terrible way to motivate people. So our focus is on making sure people generate respect from the teams they're leading. Business is a team sport and you need to get the maximum out of your team. We try not to reward fear-based leadership or a big large focus on command and control."

YRC uses coaches from outside consulting firms to help its executives. But Mr Zollars finds that experience is the best teacher and that young executives should move around in order to learn a variety of skills. He says a generalist background is more important for CEO aspirants than specific technical expertise. He sees the COO job as the most logical stepping stone to his position and encourages promising executives to step outside the role they think they are best at. YRC recently assigned a potential CEO or COO candidate as chief integration officer and a member of the key China expansion team,

although this executive lacked experience in these areas. But Mr Zollars believed that he would succeed.

Earlier in his career, Mr Zollars spent lengthy periods in overseas assignments in Europe and Japan and headed operations for Yellow Roadway. "I benefited from the breadth of experience and ability to see things from different perspectives. We try to provide opportunities for people to see the business from different angles and different experiences outside their comfort zone. One of the stress points is that business is becoming more global every day. So getting people who can really focus on that, and understand the dynamics of having a global marketplace, is pretty tough to find."