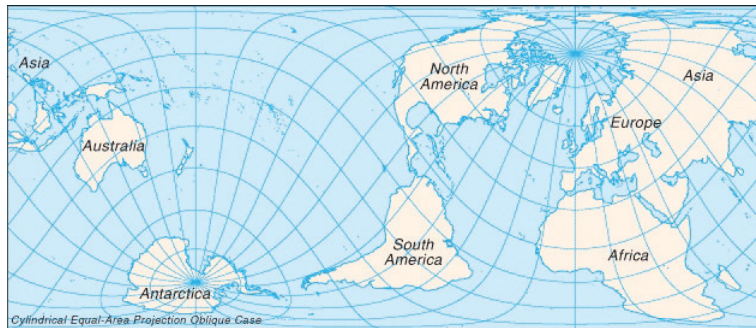


6.45: Chapter Introduction

Winning through Effective, Global Talent Management



WHAT'S IN IT FOR ME?

1. What is the scope and changing role of global, strategic human resources management (SHRM) in international business?
2. How can you visualize the battlefield in the global war for talent?
3. How can you engage in effective selection and placement strategies?
4. What are the roles of pay structure and pay for performance in effective talent management?
5. How can you use the Workforce Scorecard to gauge and proactively manage human capital, including your own?

You've probably heard the saying "people make the place." Moreover, firms with operations across borders have this added advantage: access to the best and brightest people from around the world, because talent isn't constrained by national borders. Indeed, one of the key forces in *flattening* the world is new technologies; other trends too are empowering people from every corner of the earth. At the same time, companies large and small are able to find and leverage human capital from the farthest reaches of the planet. This ability to arbitrage and attract human capital worldwide is a key driver in the *war for talent*, which is a term signifying the strategic importance of attracting top employees to work for your company. In today's fast-changing environment, companies need employees who understand the organization's strategy and are empowered to execute it. To achieve this, organizations need to follow a strategic human resources management (SHRM) approach. SHRM ensures that people are a key factor in a firm's competitive advantage. Organizations need human resources to be a partner in identifying, recruiting, and hiring the types of employees who will be most qualified to help the company achieve its goals. SHRM requires attracting the right employees to the company, identifying metrics to help employees stay on target to meet the company's goals, and rewarding them appropriately for their efforts so that they stay engaged and motivated. Having all these components in place results in a high-performance work system, improves organizational performance, and unleashes employee talent.

Opening Case: Employee Recruitment, Selection, and Development Strategies at Enterprise Holdings

You may know this company through one of its businesses, Enterprise Rent-A-Car, and its "We'll pick you up" jingle. The Enterprise car-rental business is part of a much larger family business—Enterprise Holdings. Through its regional subsidiaries, Enterprise Holdings operates more than 1 million cars and trucks, the largest fleet of passenger vehicles in the world today. "Enterprise Holdings Announces Fiscal 2010 Highlights," *MarketWire*, September 30, 2010, accessed November 24, 2010, <http://www.marketwire.com/press-release/Enterprise-Holdings-Announces-Fiscal-2010-Highlights-1328012.htm>. It's one of the largest and most comprehensive providers in the car-rental industry, serving approximately 7,600 neighborhood and airport locations in the United States, Canada, Mexico, the Caribbean, Latin America, the United Kingdom, Ireland, Germany, and Asia. In addition, Enterprise Holdings is part of a global strategic alliance with Europcar, creating the world's largest car-rental network. In this case study, you'll see how Enterprise—with more than 68,000 employees and \$12 billion revenue—ensures it has the right people with the right skills in the right locations worldwide.

Core Values from the Start

Enterprise was founded in 1957 by Jack Taylor, who returned from World War II to start a car-leasing company in St. Louis. He launched with a total of seven cars and one employee, but he had a vision to grow and a strong motto: "Take care of your customers and your employees first, and the profits will follow." "Heritage," Enterprise Holdings, accessed January 28, 2011, www.enterpriseholdings.com/about-us. This vision of exceptional customer service means that Enterprise has to identify, attract,

and hire employees who would be good at delivering on its customer service mission. To accomplish this, Enterprise looks for potential new hires who have the following set of skills and competencies that support the company's objectives:

1. Customer service focus
2. Sales and listening skills
3. Positive work ethic (a drive to achieve results)
4. Leadership aptitude
5. Communication skills
6. Flexibility

The company has identified the competencies and behaviors that such skills provide and has clearly articulated the benefits that these skills provide to Enterprise. For instance, flexibility is defined as dealing well with challenges, demonstrating resilience, and being able to prioritize. Enterprise believes that it—the company—is better able to cope with changing circumstances when an employee exhibits flexibility.

Enterprise describes the competencies it seeks on its website so that job seekers can determine for themselves whether they will measure up and fit in with the Enterprise culture.

Attracting and Recruiting Employees

Enterprise has a team of 200 recruiters whose job is to identify potential new candidates at over one hundred college campuses each year. "Recruitment and Selection at Enterprise Rent-A-Car," *The Times 100*, 2009, accessed May 10, 2011, www.thetimes100.co.uk/downloads/enterprise/enterprise_14_full.pdf. Given its growth and international expansion, Enterprise hires 8,000 college graduates a year to fill its future management needs. Seth Cline, "The Companies Hiring the Most New College Grads," *Forbes*, June 21, 2010, accessed January 27, 2011, <http://www.forbes.com/2010/06/21/companies-hiring-college-graduates-leadership-careers-jobs.html?boxes=leadershipchannellatest>. The recruiting function at Enterprise is decentralized: each recruiter is responsible for recruiting within his or her local market. The rationale for this structure is this: local hires reflect the local community for each branch office. "We try to mirror our communities," says Pam Webster, assistant vice president for recruiting at Enterprise. Fay Hansen, "Enterprise's Recruiting Model Transforms Interns into Managers," *Workforce Management Online*, May 2009, accessed January 30, 2011, <http://www.workforce.com/section/recruiting-staffing/feature/enterprises-recruiting-model-transforms-interns-into/index.html>.

Enterprise also uses an internship program as a way to identify potential future employees. The program is open to college juniors and seniors; interested interns then spend a summer working at Enterprise after graduating. Recruiters stay in touch with interns during the school year through e-mails and lunches. Some even send a care package to interns during final exam time.

In the United Kingdom, Enterprise began using Campus Brand Managers on university campuses to find potential interns and job applicants. These Campus Brand Managers are interns or students who already work for Enterprise and who act as liaisons for potential applicants. "Recruitment and Selection at Enterprise Rent-A-Car," *The Times 100*, 2009, accessed May 10, 2011, www.thetimes100.co.uk/downloads/enterprise/enterprise_14_full.pdf.

Enterprise also has an employee-referral program through which current employees get a financial reward if they recommend a new employee to Enterprise and that candidate is hired into a full-time position. The referral program has been the company's primary source of minority and female hires, and approximately 40 percent of new hires join Enterprise that way. Fay Hansen, "Enterprise's Recruiting Model Transforms Interns into Managers," *Workforce Management Online*, May 2009, accessed January 30, 2011, <http://www.workforce.com/section/recruiting-staffing/feature/enterprises-recruiting-model-transforms-interns-into/index.html>.

Finally, Enterprise recruits online; about 50 percent of Enterprise's UK and Ireland workforce is recruited via the web.

Developing Employees

To develop new recruits who would like to enter the ranks of management, Enterprise offers its Graduate Management Trainee program, which is a program that teaches management skills such as leadership and big-picture thinking; finance and business management skills such as cost control and attention to profits; sales and marketing skills to generate more sales; fleet-control skills such as handling repairs and getting the right number and type of cars; and of course customer service skills. In as little as eight to twelve months, trainees can become assistant managers. Once they become assistant managers, they start to earn performance pay in addition to their salaries. David Lagess, "A 'Stealth Company' No Longer," *U.S. News & World Report*, October 17, 2008, accessed January 27, 2011, money.usnews.com/money/business-economy/small-business/articles/2008/10/17/a-stealth-company-

[no-longer?PageNr=2](#). The performance pay is based on branch profits, which means employees can directly benefit from the improvements they make to branch operations.

Enterprise's training program supports the company's promote-from-within philosophy. "We have always hired college grads into our management training program, and from there we promote entirely from within," says Marie Artim, assistant vice president of recruiting. "It's where I started, it's where our CEO started, and it's where almost all our senior leadership started." Seth Cline, "The Companies Hiring the Most New College Grads," *Forbes*, June 21, 2010, accessed January 27, 2011, <http://www.forbes.com/2010/06/21/companies-hiring-college-graduates-leadership-careers-jobs.html?boxes=leadershipchannellatest>. Enterprise Holdings' president and chief operating officer (COO), Pamela Nicholson, started as a management trainee in 1981, working behind the rental counter, as did current chairman and CEO Andy Taylor. Anne Fisher, "Get a Great Job after Graduation," *Fortune*, May 28, 2009, accessed January 27, 2011, <http://money.cnn.com/2009/05/28/news/economy/new.grad.jobs.fortune/index.htm?postversion=2009052904>. Nicholson moved steadily through the ranks of the company and in 1999 was promoted to senior vice president of the company's North American operations, then to COO in 2003, and to president in 2008. "An Interview with Pamela M. Nicholson, President and Chief Operating Officer, Enterprise Holdings," *Leaders* 34, no. 1 (January–March 2011), accessed January 27, 2011, http://www.leadersmag.com/issues/2011.1_Jan/Missouri/LEADERS-Pamela-Nicholson-Enterprise-Holdings.html.

Global Entrepreneurship

In addition to customer service, entrepreneurship is another key corporate value at Enterprise. The tradition began with founder Jack Taylor and continued through innovations introduced by Enterprise's branch managers. For example, in 1974 a rental manager in Orlando decided to offer his customers a new service: a free ride to the Enterprise rental office. Other branches emulated this free pick-up service, which demonstrated that employees with a great idea can see it implemented across the company.

Other entrepreneurial ideas include WeCar, which is Enterprise's new car-sharing program for corporations and campuses. David Lagess, "A 'Stealth Company' No Longer," *U.S. News & World Report*, October 17, 2008, accessed January 27, 2011, money.usnews.com/money/business-economy/small-business/articles/2008/10/17/a-stealth-company-no-longer?PageNr=2. For example, Google is using the WeCar program and lets its employees choose among Priuses and Ford Escape Hybrids that Enterprise provides. Elizabeth Olson, "Car Sharing Reinvents the Company Wheels," *New York Times*, May 6, 2009, accessed January 27, 2011, www.nytimes.com/2009/05/07/business/businessspecial/07CAR.html?_r=1&ref=businessspecial.

Expanding internationally is likewise done through entrepreneurial employees. Enterprise opened its first German office in Ottobrunn in 1997. Enterprise's German pioneer, Jack Cope, said, "It's a lot of fun taking something from nothing and making it big, and I'm on my way to making that happen. A few years ago, Enterprise was unknown here in Germany. Today, thanks to the efforts of our motivated German workforce, the Enterprise mission, philosophy and culture are catching on." "For Management Trainees, Ours Really Is a World of Opportunity," *About Enterprise*, Enterprise Rent-A-Car, accessed January 27, 2011, www.enterprisealive.com/about-enterprise/global-locations.

The company entices international entrepreneurs through messages like the following one on its website:

Just imagine the possibilities that come with joining a huge, internationally successful company with a personal, entrepreneurial approach which allows individuals to stand out. Our secret lies in the fact that we're divided up into thousands of smaller, local businesses. So when you take one of our graduate trainee jobs, you'll be learning how to run the business yourself. And how many organizations with a \$12 billion turnover can say that? "With a Company as Successful as Ours, It's Easy to Start Getting Ahead of Yourself," *About Enterprise*, Enterprise Rent-A-Car, accessed January 27, 2011, www.enterprisealive.com/about-enterprise/our-industry.

Opening Case Exercises

(AACSB: Ethical Reasoning, Multiculturalism, Reflective Thinking, Analytical Skills)

1. How does Enterprise use SHRM to support its customer service objectives?
2. What strategies does Enterprise use to attract new employees?
3. Do you think entrepreneurial employees would be motivated to work at Enterprise? Why or why not?

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