

# **Business & Intellectual Capital**

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**“The Value of Business  
is a Function  
of  
How Well  
the Financial capital  
&  
the Intellectual capital  
are managed by  
the Human capital.**

**You`d better get the ‘Human Capital’ part  
Right”**

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*Dave Bookbinder*



## CASE CHAPTER 5

### Eren Energized for Entrepreneurial HR at Trezo

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#### **Abstract**

The case study has attempted to shed light on an emerging concept of entrepreneurial HR. Talking about a company in Uzbekistan, the case study share information on how essential it is for any businesses to have entrepreneurial spirit to sustain in the long run and how HR can play its part in it. The case provides mature information for readers to enrich their knowledge and decision making on the topic of entrepreneurship and how to go about bringing it at the workplace through encouraging innovation and creativity. In parallel, the case also educates learners on the role of entrepreneurial HR in this regard.

## **Synopsis**

Eren is an experienced HR professional currently working as Head of HR at Trezo Enterprises, Uzbekistan. Eren has been working hard to bring positive development in the HR practices in the business. This time around, he is on the mission to transform the way people have been conventionally working at Trezo for which, he has come up with a detailed plan to make Trezo an complete entrepreneurial workplace. Eren has worked very hard on the plan and believes that Trezo need to focus on this aspect to survive competitively in future. However, to what extent it will be accepted and equally considered important for the business by the top management remains a big question.

## **Uzbekistan**

Uzbekistan is one of the central Asian economies that was once part of the Soviet Union. The country declared independence on 31<sup>st</sup> August 1991. The country faced severe economic crisis during the first decade of its independence but strived hard since then to improve. Majority of the population are Muslims and the country has remained famous for its mosques, heritage and Islamic architecture. The official language of the country is Uzbek and is bordered with five countries including Tajikistan, Afghanistan, Kyrgyzstan, Kazakhstan and Turkmenistan. Talking about the economy, Uzbekistan is rich in natural resources. (Uzbekistan General Info, 2019). The country has 4<sup>th</sup> largest gold deposits and also ranks amongst the highest in world for uranium, natural gas and copper. (UNDP, 2019).

## **Trezo Enterprises**

Trezo is a fast food business that has franchise operations of international food companies in Uzbekistan. The company somehow follows the footsteps of Yum Brands but at the local level in Uzbekistan. The company aims to expand across the bordering economies but needs to undergo complicated legal procedures. Currently, the company has franchises of six major fast food retailers from the USA, France and UK.

For all the operations and decision making, Trezo has head quarter in Tashkent (capital of Uzbekistan) and employs more than six hundred employees to run franchised businesses across eighteen cities. *'Though the business growth is a little sluggish for everyone these days including Trezo in Uzbekistan yet still, the company is progressing with considerable financial gains year on year'*, said The GM operations Trezo Enterprises Mr. Karasov.

### **Eren**

Eren is a Head of HR at Trezo Enterprises. He has been working with the company for seven years now. He started as senior Manager Talent Acquisition wherein, keeping in view his performance and talents, the company prompted him to Head Company Human Resources position last year. *'Eren is multi-talented. He is considered as one of the key people for the business. when it comes to employee matters, staffing, personnel management and so on, he is the most appropriate person to approach'*, asserted Ms. Lina, the Performance specialist in Terzo Enterprises. *'Eren has bought a wealth of experience and competencies from different organizations at Trezo and this is quite evident from the trust and reliance the company management has put in him'*, mentioned Mr. Karasov.

### **Eren on a Mission**

*'since the day I moved to the office of Head of Human Resource, I have remained more concerned about the business rather than enjoying the perks and benefits of this position. I know my bosses have faith in me and recognize efforts that I have been putting to effectively reform the human capital management practices in the company. I am aware that the company aspires a lot from me and this is what keeps me on my toes too'*, said Eren.

He further continued by underlining that,

*'wherever I work, I always strive to bring positive developments that could uplift the company's existing position, especially in the domain of personnel management'.*

On question regarding how Trezo is doing and the current state of HR practices, he said,

*'when I moved from a big multinational company to Trezo, my objective was to transform the conventional practices and I received considerable support from the top management. We managed to bring reforms in the staffing, compensation and performance appraisal systems at Trezo to facilitate employees and business. We have been gradually working to refine HR practices here which is essential to minimize resistance-to-change at the workplace.'* Now this organization is based on a very contemporary business ideology hence, I am keen to make the HR practices also more vibrant. In simple, I aspire to make the personnel activities, policies and procedures more entrepreneurial.

He went explaining further without asking and said,

*'I want to bring in the concept of entrepreneurial HR in the business whereby, we develop such a culture in the business that would encourage our employees in thinking of new opportunities for better products, operations, services and exploitation of untapped market opportunities. Interestingly, HR is the most important thing for this matter and you will be surprised to know that its not the line manager to hit the nail in the first place but the HR department of any company. HR unit has a responsibility to work on policies, practices and procedures at the first place that would encourage employees to showcase entrepreneurial behavior. The role of the line manager of department head comes later'.*

Eren seemed very passionate about his idea as we could see spark in his eyes while explaining all this.

*'I have developed a detailed plan for this and going to discuss with the top management and board of directors next week. I am confident they will not just like but, in fact love it',* he further asserted.

## Meeting with the Top Management

On Tuesday afternoon, the management called quarterly review meeting chaired by Mr. Yousuf the group head and joint owner of Trezo enterprises. The meeting is generally attended by major decision makers in the head office and the regional in-charge for operations and sales. The meeting started as per the agenda emailed to everyone last week. As per the agenda, Eren was scheduled to discuss his plan in the middle but he requested to proceed with other divisional matters to discuss the plan at the end. In his words, he said, *'I did this deliberately because I wanted everyone not to rush and take it as a last thought to ponder upon, if meeting goes undecided on my plan'*. Once the meeting attendees concluded on all matters, Eren was given the opportunity to discuss his plan. He started by thanking the management for letting him to discuss what he had brought. *'when I mentioned that, people became curious to hear what I had to share with them'*, Eren told.

*'As everyone is working hard to bring developments in their respective divisions and work units, we in HR unit have also been following similar foot-steps. Personally, I have been very much interested in working for the future of the company and its workforce and with this aspiration for the business, I believe it is high time for us to focus on working with entrepreneurial mindset in the business'*.

Eren elaborated further by saying,

*'we are engaged in many things and have been helping us run the business successfully, but this does not guarantee us a bright future. As HR puts great efforts to bring the best people from the local market, we only utilize them to work following the existing company procedures and job description. In other words, we are missing major opportunities of exploiting their knowledge, creativity, talents and expertise to help Trezo do more, achieve more, expand more and take the business to the next level. For that, we have to start with bringing a culture whereby, we start encouraging employees to guide us on what we should do; how we could possibly do it and lead us practically. This is absolutely needed, and I can clearly see the whole world*

*is moving towards this mindset of organizational development. We now see that major companies across the globe including Google, IBM, Microsoft, Tesla, Facebook are all becoming very much entrepreneurial and this is exactly what guarantees them good future otherwise, the competition would have made them non-existing long ago. Having said that, I would also like to underline that it is a long process and would require a lot of work at our part in the first instance. For this, we have to start from the top where HR has to take the first steps. With three months of determined efforts from the entire HR team, we have developed a detailed plan for it with two phases.*

*'Everyone started skimming through the hard copies of the plan given to them at the start of the meeting. For the phase one, the plan indicated the transformation across five major HR functions', said Eren. A concise summary of phase one is as follows:*

### **Trezo Entrepreneurial HR Infusion Plan- Phase 1**

Phase Functions	Activity	Description
<b>Function 1: Staffing</b>	Job Descriptions	Conduct detailed job analysis alongside survey of industry best practices. Revision of job descriptions to incorporate requirement of employees to be creative and innovative at the workplace.
	Job Rotation	Initiation of frequent job rotations. Managers to encourage employees to willingly opt for job rotation to learn new skills and share knowledge and expertise.
	Future Sourcing	Staffing strategy to be refined based on the job analysis and revised job description.
<b>Function 2: People Management</b>	General Management	People management by supervisors and other line managers to be revised by introducing occasional rotation of people in authority to encourage people to experience different work prospects, handle different teams and get a first-hand opportunity to exercise decision making in a different set up.



	Coordination	Team to be developed and coordinated to work on different tasks whilst bringing innovation and creativity at work. Tasks may also be assigned with people coming together from different units. Encourage staff to brainstorm new ways of doing things.
	Information Dissemination	Organizing events and meet ups to exchange ideas and information on activities showcasing entrepreneurial spirit. Encouraging employees (managerial and non-managerial) to share ideas for business growth, entrepreneurship and entities for innovation infusion.
<b>Function 3: Employee Development</b>	Orientation Training	Revision of annual training plan to include entrepreneurship infused training programs mandatory for all the new employees
	General Training	Revision of annual training plan to include
<b>Function 4: Performance Management</b>	Performance Review	Managers to highlight innovative and creatively working employees. managers to keep track record of entrepreneurial engagement showcased by employees in the department and share with HR department on quarterly basis
	Performance Appraisal	Appraisal of all employees to be done with significant emphasis on the extent to which an employee expresses entrepreneurial spirit with evidence.
<b>Function 5: Rewards</b>	Rewards and Recognition	Organization of annual reward events for best implemented ideas. Recognition certificates for creative efforts to teams
	General Compensation	Revision of compensation policy to include special perks for employees showcasing entrepreneurial spirit.

The meeting ended without any ‘yes or no’ on the plan. Everyone including the co-owner seemed a little confused. There were some questions raised to Eren which he effectively responded yet still, no clear signs were given to him. Towards the end, the attendees decided to

continue discussing the plan in the next meeting in consultation with operational managers across the different regions.

### **Suggested Readings**

Barrett, R., & Mayson, S. (Eds.). (2008). *International handbook of entrepreneurship and HRM*. Edward Elgar publishing.

Gopalakrishnan, C., & Dhar, U. (2009). *Partners in Success: Strategic HR and Entrepreneurship*. Excel Books India.

Smith, J. (2013). How to keep your entrepreneurial spirit alive as the company you work for grows. Retrieved from: <https://www.forbes.com/sites/jacquelynsmith/2013/10/22/how-to-keep-your-entrepreneurial-spirit-alive-as-the-company-you-work-for-grows/#4162419ac0d4>.

### **Discussion Questions**

Q1. What is meant by entrepreneurial HR and why do you think it is important?

Q2. How do you see Eren as Head of HR in Trezo?

Q3. Do you think Eren is right in his aspirations for Trezo to transform it into an entrepreneurial enterprise?

Q4. Evaluate the Phase 1 of the proposed transformation plan and underline its strengths and weaknesses

Q5. Putting yourself in the shoes of Eren, what you would have proposed? Justify in detail.

Q6. Consider yourself the owner of Trezo Enterprises, what would be your expression towards Eren's Plan?

### **References**

UNDP. (2019). About Uzbekistan. Retrieved from: <http://www.uz.undp.org/content/uzbekistan/en/home/countryinfo.html>.

Uzbekistan General Info. Retrieved from: <https://www.centralasia-travel.com/en/countries/uzbekistan>.

### Exhibit 1: Map of Uzbekistan



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