

COMPANY STATS

| | |
|---------------------|--|
| Name | Motorola, Inc. |
| Industry | Integrated Communications Solutions and Embedded Electronic Solutions |
| Number of Employees | 111,000 worldwide; 20,000 in Chicago region |
| Location | Headquartered in Chicago; offices worldwide |
| Product/Service | Embedded chip-system level and end-to-end network communication solutions for the individual, work team, vehicle, and home |
| Sales | \$30 billion |
| Year Founded | 1928 |
| Ownership | Public |
| Web Address | www.motorola.com |

A Corporation in Transition: A New Role for Learning

Motorola, with over 100,000 employees worldwide, is a global leader in providing integrated communications solutions and embedded electronic solutions. Founded in 1928 as the Galvin Manufacturing Corporation in Chicago, Motorola became the premier worldwide supplier of cellular telephones by the end of the 1980's. Today, Motorola is harnessing the power of wireless, broadband, and the Internet to deliver embedded chip-system level and end-to-end network communication solutions for the individual, work team, vehicle, and home.

For years, Motorola's image has been synonymous with technological leadership, product excellence, and people development. It set the standard for responding to global competition in the 1980's and was an international leader in a range of technology products. Well ahead of other major companies, Motorola embedded total quality management with the advent of Six Sigma®

methodology and instilled it throughout the company to increase excellence and profitability. Motorola University's programs, among the most extensive in the world, became a benchmark for corporate training and education and helped develop one of the top engineering talent pools ever assembled.

The learning systems that propelled and sustained Motorola's growth and financial strength in the past continue to evolve with technology innovations as well as with the rapid changes in international markets. Motorola's recent loss of market share and profitability made it imperative to reinvent its vision, strategy, structure, and practices. The new strategy is designed to build Motorola's capacity to anticipate and adapt to change in products, services, and markets at a faster rate than the rate of external change. Central to this new strategy is the development of a supply of leaders and high performers. As Chris Galvin, Chairman and CEO, said, "Success requires combining sound strategy with the talented people who can implement it."

As a result, Motorola is realigning its learning and development functions, first and foremost to build the supply of leaders and high performers; second, to link learning to individual and business unit performance; and third, to create a more cost-effective, responsive learning system. The company is proud of its past achievements, and is now placing a greater emphasis on measurable performance, leadership development, and a learner-centered culture.

Fred Harburg, Vice President, Chief Learning Officer and President, Motorola University, explained, "The transformation of Motorola U has been very challenging for our organization. Here you have the best known, largest, most well-established corporate university in the world taken down dramatically in size. And the question is, 'Does this signal a departure from our commitment to educating our workforce and continuing to develop their capabilities and competencies?' And the answer is a resounding 'No!' We think there has been a sea of change in education, a sea of change that has to do with being smarter about the way we approach education."

"This change is consistent with the move in corporations around the world to performance solutions and away from a belief that, 'If we build them (products), they will come.' Now we are providing learning solutions specifically designed to address business performance issues that stand between them and what they need and want to be for their customers," Harburg said.

New Learning Infrastructure

After assessing its entire learning system, Motorola is creating a new structure that is contributing to the achievement of business goals, cost effectiveness, and quality results. A new position of Chief Learning Officer (CLO) was recently established. The CLO works with Motorola's chair and the heads of the business units to identify their needs and to create learning solutions. Since all learning functions are integrated with organizational development, these needs are defined in terms of capabilities required by the unit to meet performance goals and business objectives. A Learning Management Community, composed of members from each business unit and from each region around the world, has also been established to continually improve the effectiveness of Motorola's enterprise-wide training and specialized business unit training.

"In today's world the only sustainable competitive advantage is the time sensitive knowledge to perform of our associates. Our deep and continuing commitment to the development of our people brings mutual benefit to Motorola and Motorola employees."

Fred Harburg, Vice President, Chief Learning Officer and President of Motorola University

The Office of Leadership, Learning and Performance has been created to develop, manage and integrate the three functions implicit in its name. The head of that office reports directly to the CEO and to the Vice President of Human Resources. This not only reflects the importance of the leadership development goal, but also links it closely to organizational development functions.

The goals of this new office are:

- ♦ **Leadership:** To serve Motorola by ensuring that the organization has the right people in the right positions at the right time for Motorola to win.
- ♦ **Learning:** To support Motorola's sustained success through superior learning and development solutions.
- ♦ **Performance:** To create and enhance the performance capability within Motorola to drive individual, team and organizational performance. This includes performance management, organization effectiveness, and Motorola's Next Generation Six Sigma® business improvement programs

Previously Motorola University centralized all major educational functions and managed Motorola's learning budget. Now, in order to quickly respond to business units' needs, it has decentralized the education functions and transferred its learning budgets and authority to the business units. Approximately 80 percent of the learning budget now resides in businesses that determine their own annual learning needs and then allocate their resources. The remaining 20 percent is distributed to three corporate-wide centers of excellence: Leadership, Learning, and Performance. These centers focus on "leverageable" learning areas—skills, behaviors, and organizational changes that can be applied across the company. In this way, integrated training and organizational development packages may be repeated—and customized and improved—for multiple business areas, reducing the cost and time required to develop them separately for each area.

Also, by eliminating almost all of Motorola University facilities, the amount of training per dollar has increased, even though the overall education budget has been reduced. The net result is a dramatic reduction in the fixed cost for training and a reallocation of resources to education as opposed to infrastructure.

NextGeneration: Developing Leadership Skills

Leadership development at Motorola now focuses on improving organizational effectiveness for today's business environment. Previously, single products were mass-produced and sold to customers as discrete units, e.g., automotive parts and wireless radios. Increasingly, major customers, such as General Motors, request total communications systems for its cars that use multiple products, such as chips, telephones, and automatic control systems, in new ways. To provide these integrated solutions, Motorola is building a company structure that can support integrated, and often "virtual," teams. Such teams require managers with new skills; they must assemble teams and lead them, communicate with the customer and manage the sales process, and oversee the development of integrated solutions.

Motorola has instituted a comprehensive system for developing these new leaders, called NextGeneration, which delineates the criteria for leadership and the responsibilities of trainees and managers. Its objectives are to: 1) make the company a magnet for leadership talent, 2) proactively identify, track, and develop global and diverse pools of leadership talent, 3) continuously improve the leadership pool by investing in and accelerating the development of its strongest performers, and 4) retain 100 percent of those employees critical to the long-term success of the company.

NextGen is based on a comprehensive range of development activities, shared responsibility between the individual and Motorola, and shared accountability between management and HR—all to support succession planning and to develop leaders. Participants in the program are expected to develop very specific behaviors and skills, such as learning how to motivate employees and manage system issues to bring a new product to market. NextGen leaders assume major leadership responsibilities at the end of five years. They are then expected to mentor those in subsequent groups.

Motorola, in turn, is expected to increase its investment in the individual by providing development activities, increased exposure to the executive team, and semi-annual reviews. Managers are expected to invest their own time in NextGen leaders, provide tough and honest feedback, and develop mentoring, coaching, training, and feedback skills.

*Cheryl Field, Manager,
Motorola-Automotive Communications
Electronic Sector is taking courses toward a
certificate in project management. These courses
can be used for credit for a master's degree from George Washington
University. Cheryl said, "The training provided here at Motorola was out-
standing in every respect. The instructors provided well-delivered,
detailed training sessions, and very effectively conveyed
their real-world work experiences and
knowledge during these sessions."*

Expanding Skills and Knowledge of All Employees

In addition to building a supply of future leaders, Motorola is investing in the skills and business knowledge of all of its employees. Sandy Ogg, Senior Vice President and Director of the Office of Leadership, Learning, and Performance, believes that the most important common needs for employees involve specific business knowledge, team leadership, and general business acumen. This is a departure from Motorola's previous view of talent, which emphasized engineering for product excellence.

About 60 percent of Motorola's employees have taken advantage of the opportunity for external training and educational reimbursement. A supervisor deems if their coursework is relevant to the company's goals. They receive 100 percent reimbursement and a book allowance. Employees with potential for new leadership roles are identified and, if selected, are given the opportunity to enroll in an MBA or the Executive Leadership Program at Motorola's expense.

Motorola believes that retention rates—and full engagement of employees

sent to very expensive external degree programs—can be improved significantly by maintaining supervisor contact with employees during the degree program, and by developing a plan for integrating them back into their work environment to apply the new skills and knowledge they have learned. Part of this plan also involves tightening the relationships with the local schools to create a stronger Motorola/school/employee connection.

Motorola has strong relationships with Northwestern University, University of Chicago, University of Illinois, Illinois

Strategic Use of Technology

Instead of relying almost solely on traditional classroom learning, Motorola has begun using multiple training methods, such as e-learning and other learning technologies, informal learning processes, and instructor-led learning to create learning packages that support new integrated business solutions structures. "The challenge is to figure out the right media for specific content areas and people," said Harburg.

An estimated 35 percent of learning is offered online. While e-learning has proven effective for technical skills, it has yet to

achieve its potential for soft skills such as decision-making, analysis, communication, and leadership. These skills require interaction and engagement. Motorola's experience has been similar to many of the national studies which show that up to 90 percent of people who start online courses do not complete them. Providing the learning context and environment is key to effective learning. Mary Aurand, Training Manager for the Integrated Electronics System Sector (IESS) business explained it in this way: "In many cases, people still need the human touch to learn." Motorola emphasizes that most online or computer-based training cannot be successful unless it is blended with interactive learning in a classroom with peers or with supervisors. "Blended solutions, as opposed to purely e-learning or purely classroom, are clearly the way to go," said Harburg. While the cost of blended learning is often higher, the pay-off in improved performance is greater for the company.

COMPANY SNAPSHOT

| STRATEGY USED | PARTICIPANTS | | | |
|---|------------------------|------------------------|-------------------|-------------------|
| | Management/Supervisors | Technical/Professional | Frontline Workers | Part-time Workers |
| Tuition assistance | ☒ | ☒ | ☒ | ☒ |
| On-site workshops and training | ☒ | ☒ | ☒ | ☒ |
| Financial support for attending off-site classes, seminars, workshops and conferences | ☒ | ☒ | ☒ | ☒ |
| Training/education on company time (on- or off-site) | ☒ | ☒ | ☒ | ☒ |
| Online learning | ☒ | ☒ | ☒ | ☒ |
| Individual Development Plans linked to performance evaluations | ☒ | ☒ | ☒ | ☒ |
| Career counseling | ☒ | ☒ | ☒ | ☒ |
| Formal mentoring | | | | |
| Job shadowing | | | | |

Institute of Technology, Lake Forest Graduate School of Management, Roosevelt University, Harper College, DeVry University and a host of other local and regional educational institutions.

*PC Dialogues: Aligning
Business and Individual Goals*

The Business Development Institute offers a blended learning program for directors who are just about to move into a management position with a profit and loss responsibility. After assessing each student's knowledge of cash flow and balance sheet management, those with a limited background can take online programs to bring them up to the level of the four-day course. In-class work includes lecture presentations and business simulations. After the course, there are online exercises that participants perform with their supervisors. The same is true for many of Motorola's onsite technical courses in which classroom teaching is blended with online learning, real work problems are incorporated and exercises encourage employees to apply what they learned to their job.

Recently, the Automotive Communications and Electronics Sector (ACES) within IESS used the web to prepare internal instructors to teach a quality course. Instructors around the world logged onto the "virtual" Train-the-Trainer sessions led by the master instructor, a facilitator who controlled the online presentation. Motorola also uses streaming video to conduct training associated with new products, often during team meetings in which team members can discuss the material and learn overall concepts from an expert present at the meetings.

To provide the data analysis expertise needed by teams in order to achieve Six Sigma quality, Motorola develops a special class of experts—Six Sigma Blackbelts. Blackbelt skills include not only quantitative expertise but also interpersonal and problem-solving skills. There is a defined set of skills and online skill demonstration projects required to achieve Blackbelt status, which can take several years. Blackbelt training is primarily offered through Motorola U, supplemented with customized outside classes.

In addition to offering an abundance of learning opportunities for all employees, Motorola's talent development system is being restructured to tie individual responsibility, development, and performance to organizational performance. Department directors and supervisors link individual performance with unit performance, which

*We think there has
been a sea of change in
education, a sea of change
that has to do with being smarter
about the way we approach education."*

*Fred Harburg, Vice President, Chief Learning
Officer and President of Motorola University*

are, in turn, linked to the performance of Motorola's businesses. Annually, all businesses and units are asked to define learning priorities in Performance Excellence scorecards. To support and monitor their performance and development, every employee is now required to participate in an annual Personal Commitment (PC) Dialogue with his or her supervisor.

The PC Dialogue record, which is entered into a computerized system, documents the individual's business goals, which must be measurable and aligned with departmental goals, required resources and partners, and the behaviors and training that are needed to achieve these goals. PC Dialogues define the individual's role in attaining unit goals. Success is based on performance for both the team and the individual, and is quantitatively measured and reviewed quarterly. The ranking system and these dialogues between employees and their managers create the infrastructure for this performance-based culture.

Motorola encourages individuals to be responsible for their own development. Employees set their performance and professional skills priorities and are provided with resources, educational opportunities, and

incentives to achieve them. Employees report that the PC Dialogues have "brought the employee and supervisor closer together and forced every employee to be more directive in their work and learning."

Learning plans are customized to identify both skill-based performance development and individualized capability enhancement. Personal Commitment plans must include five content areas and five types of behavior, such as communication, presentations, and teamwork. Individual development plans are captured automatically in the PC system through a feature called "Skill Guides." The company reviews the sum of these plans to identify overall needs—what is common across all sectors—and what is particular to units or a department. The result of this review determines the portfolio of course offerings. Many of the courses are customized at Motorola, others by external providers.

For example, in the Integrated Electrical System Sector (IESS), business leadership identified the major skills, knowledge, and education that aligned to accomplishing business goals. These curricula were then embedded into the online Personal Commitment tool. Employees now have a clearer understanding of how their education ties into accomplishing these goals, and what skills are needed and expected. "This tool, Skill Guides, was a new enhancement to PC this year," Aurand explained. "All Motorola business units have developed Skill Guides to better communi-

cate their education and training offerings and set priorities. For example, quality is our major emphasis in IESS, and that is where much of our unit's Skill Guide is focused."

Impact Assessment

Currently, participant assessments are performed for every course, and delayed assessments are performed several months after the course to ask participants and supervisors if they are using what they learned. Motorola is moving toward measuring the extent to which learning contributes to achieving specific business performance objectives. Affects on increased organizational competence and capability along with overall ROI will also be measured.

According to Harburg, "There are some very exciting developments ahead as we harness the power of technology to leverage learning and performance. We are reinventing the category when it comes to corporate universities and are helping Motorola to return to its status as a world class learning organization."

Fred Harburg
VP, Chief Learning Officer and President of Motorola University

Motorola, Inc.
130E E. Algonquin Rd.
Schaumburg, IL 60196
(847) 576-2902
fredharburg@motorola.com