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**FBI National Executive Institute
and
Major City Police Chiefs Training Program
address by
William J. Weisz
Chairman
Motorola, Inc.
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Most of you know my son David, who has represented Motorola at these meetings since 1988. I am very proud of him. Dennis Garret and Rueben Ortega also know my older son George, who is a police officer and a special agent in the office of the Attorney General of Arizona. I am proud of him too and what he does on a daily basis. As a result of this closeness and my own past experiences, I hold the law enforcement community in high regard. Notwithstanding my personal high opinion, when he invited me to attend this meeting, Director Freeh told me that a major theme would be "Distrust of Government/Law Enforcement, Restoring a Tarnished Image." He asked me to talk about leadership and motivation. I immediately accepted because I enjoyed being with and talking to many of you in 1991 when I was last here. But, I'm not here today as an oracle who can tell you how to run your organization. I have no simple panacea or miracle recommendation. What I will do today is give you some personal thoughts and some ideals that we believe in at Motorola with the hope that they may be useful to you. While the

names and words used when I talk about Motorola may be different from the ones you use, I believe that their application to your organizations may also be appropriate.

Probably every generation of senior management has claimed that its tenure in leadership positions encompassed the most complex and challenging period that it had ever witnessed. That is a true statement -- and will probably always be true. Because of that increased complexity, the public must have faith, respect, trust, and confidence in a business or a government agency in order for them to be successful. In our company, we believe that there are certain fundamental things that determine the public image that you have. No organization can have a reputation for very long that it does not deserve. We teach our people that their fundamental overriding responsibility is total customer satisfaction that is perceived to be better than any other competitors -- no ifs, ands, or buts. In fact, we really want customer delight. This means that we must deliver the highest quality and reliability in our products and services at a fair price and do it in a manner that the customer likes and respects. In the public safety arena, you have customers too. They expect you to enforce the law, or help them when appropriate, in a totally professional, high quality, fair, and objective manner and to do it at reasonable cost. I contend that how an organization acts at the customer interface, yours or mine, is determined by the fundamental culture by which that organization lives every day, in every way.

Before embarking on major changes to restore a tarnished image or to reinforce the positive image where it exists, I believe that it is absolutely necessary to pull back and evaluate the fundamental policies and cultures in an organization that result in the way it acts and is perceived. Some of these fundamental cultures and policies must not be changed, - though their current daily implementation may be entirely different from what is intended, - or for that matter, what the top brass thinks is going on. In fact, reinforcing correct cultures and policies goes a long way toward restoring trust and confidence. IBM spoke of the balance between things that should change, and things that should not change, in the foreword of a book entitled "Not Subject to Change." It said:

"The job of the executive is to manage change in an environment of change. Products are continually changing to meet changing needs and tastes in markets, and the business environment is exploding with social and political change. However, some of the most important elements in the executive's life must not change. No matter how dynamic the manager's approach to problems must be, ultimate success as a leader is based on an unchanging set of principles that direct the leader's purposes."

Clarence Randall, in his forward to the book "Managers for Tomorrow," wrote:

"We hear much these days about the technological revolution which has transformed American industry in this generation, but altogether too little is being said about the human revolution, which has made this possible. The second is as significant as the first."

I am convinced, that, as it has been in the past, in the future, even more than before, people will make the difference, not machines or technology. Enthusiastic, motivated people in the right places will create and utilize the technology.

Today, an awful lot of managers blame their people for poor performance and lackadaisical attitude. They say that people don't want to work hard any more; that people aren't interested in giving that little bit of extra effort for perfection. I don't believe any of that. I believe that 99 and 44% of the people want to do a good job. No --- more accurately, they want to do the best possible job. Obviously, there is an occasional bad apple, but that is the exception, not the rule. The problem is usually not poor people, it is poor leadership.

People want to be proud of their performance, proud of their organization's activities, and proud of their personal

contribution to the success of those activities. The challenge to us as leaders is to find the ways to assure that all of our people can feel that pride in whatever they personally do, and in the achievements of the organization regardless of who did it. Every one of Motorola's 140,000 employees should be as proud as I am of the role our company has played in the growth of the electronics industry and the daily service to our customers.

In order to feel that way, we believe that every individual must feel that Motorola truly does offer all the opportunities for his or her own self-fulfillment. We must assure that personal challenge and opportunity for growth exist for all who are capable, and that it is clearly understood that such growth is tied intimately to the success of the overall organization.

Participative management techniques, training and development programs, continuous, fair, objective people evaluation, help a person -- any person -- from janitor to manager, -- to become more proficient. We want them to feel empowered, to reach out and take on more and varied responsibility. I'm not just talking about direct labor or lower level supervisors. Department heads and key managers are people too, and they should get the same concern and treatment. Proper reward tied to personal contribution is mandatory.

Whenever you're tremendously busy on day-to-day operational activities, it's easy to forget to pay attention to the very important requirement to lead people, not just manage the mechanics. At various times, over the years, in the press of increasingly complex problems with tight budgets, we haven't always paid enough attention to the basic fundamentals of motivation with real concern for the personal enthusiasm and growth of our people. If we are to be excellent leaders, we believe that it is necessary to regularly look at ourselves, our philosophies of leadership and management, and our methods of implementing those philosophies, and to renew the commitment to our fundamentals.

The criteria for measuring excellence can be very simple. In every one of our departments, we want people to be real gung-ho fire balls about the importance of their job and their opportunity to reach out and grow with Motorola. If they are not, if people aren't so enthusiastic that they can't wait to get to work each day, then we haven't got the kind of spirit and morale that will assure a leadership position. Given such spirit, average people can do fantastic things. Without it, excellent people turn in second rate performances.

The role of a Chief Executive Officer is simply described by Peter Drucker. He or she does what no one else can do, and must do it continually well in times of stress or relative peace. The CEO makes the decisions that no one else can make. Everything that can

be done by others should be so delegated. But one thing that cannot be delegated is living an organization's culture.

In 1991, I quoted from Edgar Schein of MIT's Sloan School of Management, who said that, "The most important job of the Chief Executive Officer is culture management. The CEO must establish the right culture, set the appropriate example, and audit the organization at all levels regularly to be sure that the culture is being adhered to. Leaders must create and manage culture achievement, and sometimes they must destroy bad cultures in the process of building good ones."

Culture is a mysterious thing to pin down, so I'd like to start by defining it. An organization's culture is really the underlying set of assumptions that govern how people perceive and think about themselves, other people, their work, and the organization's goals and then, how they act in regards to them. You might call culture synonymous with operating philosophy. I define a "philosophy" to be a principle that you don't have to think about each time an issue comes up. If you have fundamental philosophies well ingrained, honestly believed, and to which you are deeply committed, then it is not necessary to take each situation you face and rethink the basic guidelines within which you should take action. You will have an instant, correct reaction, to each different issue because of your strong belief in the fundamental philosophies.

Cultures must be 100% shared values. There can be no 90% agreement on fundamental issues. Cultures don't occur randomly. They occur because leaders spend time on, set examples of, and reward some behaviors and practices more than others. How we reward and punish tells our people how well we believe in the words we mouth as our organization's culture. You are the leader who must live the culture, who must monitor where and how you spend your time, coaching and setting the example, encouraging and rewarding your people to behave in certain ways. If you do this, then when they are confronted with certain complex situations, they will know how to approach them the way you wish them to.

The single most important, shared value at Motorola is that of the dignity of the individual - constant respect for people. This means all people; Motorolans, customers, suppliers, competitors, and the community. In a current Motorola initiative, we have set out to achieve a higher level of consistency and sensitivity concerning the level of dignity and respect with which we treat each other inside our company. We believe that the ultimate expression of dignity with respect will be when each of us behaves in a way that reflects the individual's value as a person, taps their full potential as a contributor, and enhances their job performance and career on behalf of Motorola. We call this initiative Individual Dignity Entitlement, IDE. It is a process whereby all people throughout Motorola at all levels, have dialogs with their managers focused on

what they should expect from the company and what the company expects from them.

Many years ago, one of the past general manager's of Motorola's Communications Division, drummed the following phrase into all of us: "The most important job of leadership is to create the environment and the atmosphere in which each and every person -can contribute to the maximum of his or her own capability." The most expert in the management of people has had to constantly work at developing a proficiency at this talent until he or she lives and breathes the philosophy of the importance of people. Even then, they have to challenge themselves regularly to be sure, that in the crush of current events, they are still taking the time to pay proper attention to people motivation and management. Only by taking the time can the requirements for excellence in leadership be fulfilled. It takes time and effort to build team spirit, morale and enthusiasm. You must work at it. To those who say they haven't got the time it takes to do this, there is only one reply -- you can't afford not to take the time.

Honesty, integrity, and ethical conduct are no-compromise Motorola cultural precepts. Unfortunately, as in every large company, every once in a while, we do find situations where a very few people bend, or break, these critical tenets -- sometimes in the mistaken belief that it is for the good of the company. We do not

tolerate such deviations. So important is this responsibility, that the Board of Directors maintains personal cognizance of the company's activities through its Ethics Committee.

A General Electric publication states the basics of leadership very well:

"The qualities of leadership are universal. They are found in the poor and rich, the humble and the proud, the common man and the brilliant thinker. But wherever they are found, leadership makes things happen. The most precious and intangible of leadership is trust, the confidence that the one who leads will act in the best interest of those who follow. The assurance that he will serve the group without sacrificing the rights of individuals. Leadership's imperative is a sense of rightness, knowing when to advance and when to pause, when to criticize and when to praise, how to encourage others to excel. In its highest sense, leadership is integrity. This command by conscience asserts itself more by commitment and example than by directive."

An organization's working environment is made up of a myriad of programs and procedures. However, no matter what is written, our actions tell the organization what is expected of them. The leader must build and manage the culture of the organization to

assure that all managers reach out, assume responsibility and take action.

About now, you may be saying to yourself, "Why is he spending any time on this subject? I understand our culture and its importance. It's kind of an insult to even insinuate that I don't." Yes, I believe that you do understand your culture. But many times, when change occurs, or when economic times are tough, expediency causes the practice of that culture to be under great pressure. Unfortunately, too often we tend to take shortcuts in order to achieve operational goals.

In April of 1969, I moved from the general managership of our Communications Division to Corporate Headquarters where I became the third man in Motorola's Chief Executive Office. I had the luxury of spending my first four or five months wandering all over the corporation, meeting people and learning how they operated. In September of 1969, I gave a presentation to Motorola's Executive Conference entitled "The Pursuit of Excellence in Management." That talk was a direct result of my concern, that in too many places, we were becoming expedient in our living of the Motorola culture. My message at that time was basically the same as the message that I am delivering today, or the one delivered by earlier Motorola CEO's in one or another forum at many periods of change in the corporation's history. It is because each of those times, we

reiterated, restated, reinvigorated, and renewed our commitment to the Motorola culture, that the proper tone was propagated into the future, that the corporation continued its growth, operating by the same fundamental standards, and with the same atmosphere, as it did years and years ago.

Some of the other unchangeable Motorola tenets of culture are that we believe in communication between people and organizations -- every which way -- with no prerogatives about whether it is up, down, or sideways -- with no walls between sectors, groups, divisions, or functions within an organization. -- We believe in the open door policy right up to the top. -- We believe in teamwork and expect cooperation, not confrontation, as the rule for each interaction between people and organizations. This means an atmosphere of objectivity on every issue. Since we believe that 99 and 44/100 of our people want to do the right thing, we reject the demeaning of individual personalities, and refuse to accept that an ulterior motive is skulking behind any position taken. We believe in open and complete, argument on controversial issues, right up to the point where a decision is made. After that, we expect every manager to be an active supporter of a decision. But, we believe in the opportunity to reargue a decision once more, privately, if new facts come on the scene.

A good Motorola leader must insist on creativity and innovation, not just in our products, but also in our internal processes. He or she must insist on a healthy spirit of discontent. We give a mandate to all, to challenge anything and everything that their organization and Motorola does, and the way it's done, if it does not help in serving the customer.

We believe in an attitude of personal proprietorship, and the entrepreneurial spirit, so that every person involved can identify with the success of a particular product or business. Thus, we believe strongly in decentralization of authority and responsibility. That carries with it an even more strict requirement for extensive communications of all kinds. It mandates the volunteering of information that regularly gives other people, above and below, a continuing feel for the business. It absolutely requires that a manager raise to higher visibility, key issues, decisions, and, particularly bad news. We don't like surprises. While we expect teamwork and loyalty to people's own organization, we require it even more to Motorola's overall greater good.

We believe strongly in the need for empowering our people through the vehicle of more and more participation on the part of all employees, a culture many have lived, but whose practice must be strengthened as a fundamental culture. We believe in the "we"

approach, not "we versus they." We believe in setting the highest of standards and in having the highest of expectations.

We believe that managers cannot manage from their offices. They must walk around and be intimately involved with their people. We believe in traveling widely throughout the organization, in talking freely at all levels of the company with big groups, and individuals, and not staying in an ivory tower. -- We believe in knowing the businesses, in having the "feel." We believe in seeing that the details are accomplished, not just the big picture.

Actually, a key tenet of our culture has been the ability to adapt to an environment of dynamic change. In my opinion, if an organization is not successfully implementing proactive change, or regularly reinforcing its fundamental cultures, it is because the senior management does not accord an appropriate sense of urgency and priority to those issues and has not provided an environment that is encouraging. In the past, we have generally acquitted ourselves well. Our environment changed from good to tough times. Our customers' requirements changed, requiring us to develop new products and open up new markets. We have gone from being an equipment business to encompass components and services. We have had the courage to divest ourselves of businesses that were improper, even though the corporation's short term sales were reduced.

We have constantly decentralized, and shifted activities between sectors and groups. By design, we regularly sophisticate our organization and modus operandi, and evolve to a new level of decentralized operation. We try to take full advantage of our broadly diversified competences, of the skills that exist in one sector, or group, that complement those elsewhere in the corporation. To be successful in these types of endeavors means that, some few times, a decentralized operation's activities will be impinged upon in order to support the organization's overall good. We expect decentralized managers to not only run their own businesses well, but to be alert and reach out for synergistic opportunities, and to be fully supportive of inter-group activities, even if it does not seem to be to their own business's immediate direct advantage.

These, then, are Motorola's fundamental, shared values -- our Motorola corporate culture. We believe that it is mandatory to reiterate them in time of dynamic change. We think that living the culture motivates all our people to do their best for themselves, for Motorola, and for our customers. I said earlier, that these must be 100% shared values, and we really mean 100%! Many years ago, Art Reese, a former executive vice president of Motorola, and a member of its Board of Directors, developed an evaluation form for general managers. This form required that the Chief Executive Office, when measuring performance, or evaluating candidates for a general manager's job, judge a series of characteristics, over and above

technical proficiency to do the job. These characteristics all related to how well the manager lived the Motorola culture. As we look over our history, I think it is fair to say, that in many areas where we failed, it was because in the selection of a senior manager, we rationalized away the lack of 100% adherence to some of our Motorola-shared values and culture. We now put major emphasis on the need for enthusiastic belief in the Motorola culture, demonstrated by daily performance. Frankly, if a manager, at any level, isn't totally committed, if he or she does not practice the Motorola culture 100%, then no matter how good their technical or professional skill, we do not want them in the corporation. We cannot afford to have anyone in a leadership position who gives wrong signals to other employees -- that doesn't encourage them to tackle every problem in accordance with the fundamental principles with which we wish it to be tackled.

In my opinion, to get back the trust of the public, to restore a tarnished image, or to maintain the good one that you currently have, you must have the right organizational culture -- which is achieved through excellence in leadership. The result of that culture will be the success of your organization in fulfilling its role -- for which it will be appropriately recognized.

Nothing less is acceptable!

(Schaumburg)