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## Discussion after the Speeches of Susan P. Hooker and T. Leslie Horswill

Discussion

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## Discussion After the Speeches of Susan P. Hooker and T. Leslie Horswill

QUESTION, *Professor King*: Ms. Hooker, you were talking in terms of private training. I think Motorola is a very unusual company because Mr. Galvin has created a well-known and respected reputation. What are your views on the role that universities and the government should play in training?

ANSWER, *Ms. Hooker*: Based on the industrial training program in Illinois, I am absolutely certain that public dollars can be an effective catalyst in helping companies launch training programs. Once the programs are in place, if they have been well conceived and are truly focused on the imperatives of the business, then the business results will help reinforce the programs.

At Motorola, we demand that all of our U.S. suppliers institute a plan to achieve the *Malcolm Baldrige National Quality Award*. This requires the suppliers to implement considerable training and development to promote an internal quality system.

A major issue for many small suppliers is how to finance these programs. Motorola has been working with the State of Illinois which has appropriated funds primarily to be used for quality training in small firms. Such targeted programs can be very effective.

In terms of the role of higher educational institutions, Motorola is working with several universities, helping them to develop an undergraduate and graduate quality curriculum. We also use universities in our internal training programs, particularly in the basic skills area. Four years ago when we started the first adult basic education program, we decided that we would not try to become experts in that discipline ourselves. Instead, we would become partners with local community colleges and actually have them do the training. Typically, they do the training at our locations and we finance the program. This has worked out quite well.

Motorola also has several in-house master level engineering programs. In Illinois, we have people from the Illinois Institute of Technology and the University of Illinois at Chicago come to our campus and train our mechanical engineers. Our employees can actually earn their full degrees without ever leaving the Motorola campus.

We are also partners with several other universities which use our training center for their night classes. Once, again, that allows Motorola students to attend classes without going across town. So, we are trying to leverage the higher education system because we have tremendous capabilities there. Unfortunately, we have not done as much as other com-

panies. Many oriental companies give research grants to universities. We should do more of that.

COMMENT, *Mr. Horswill*: First, the role of government is social as well as economic. If the government's role was purely economic, then we might choose more spending for universities. North American universities are a tremendous economic instrument of innovation and growth. Short-term training is the most important instrument a firm has to capture change in its investment in training and facilitating new training.

Also, we must look at the whole labor market. It is a profoundly different issue for smaller employers than for larger employers. Americans are tremendous consumers of public services, especially school systems.

Canada must decide how to use its physical capacity to compete as a whole society. In America, use of physical capacity is principally decided by the political system. Canadian governments should consider reducing inescapable financial risks of employers who would undertake training in this program.

QUESTION, *Mr. Wong*: Mr. Horswill suggests that the lack of training really is a problem for small and medium size firms. How do we implement training in the smaller firms?

ANSWER, *Ms. Hooker*: Motorola provides training for its suppliers worldwide. The same training available to Motorola employees is also available to suppliers at the same cost. So these smaller firms receive training at a considerably lower cost. In addition, Xerox, IBM and Motorola will eventually require all our customers and suppliers to be trained, and in many cases, we will not honor each other's training. We recently agreed to stop doing that because it is confusing to our suppliers. Part of the burden needs to fall on the larger companies since the health and well-being of our suppliers dictate our success. However, this will not resolve the whole problem since it does not address the basic skills issue, which is as much a concern for small companies as it is for large ones. Here, government must actively provide second chance programs for adults.

COMMENT, *Mr. Horswill*: Our data indicates that smaller employers have dramatically increased their recognition. Skills training is now fundamental to their competitive position. However, part of their expectations remain unmet.

QUESTION, *Mr. Reifsnyder*: Ms. Hooker, you mentioned that one of Motorola's schools was influencing public policy. Could you give examples of other factors Motorola was redirecting?

ANSWER, *Ms. Hooker*: Motorola is developing a strategy concerning public education. We need to make some systemic changes in public education in North America, or at least in the United States. Mo-

torola will be very active in this area, but we have not yet defined which policies we will be supporting.

Motorola lobbied strongly on two measures this past year, both of which were successful. The first was the extension of Section 127 of the Internal Revenue Code that exempts educational assistance from taxable income for undergraduate programs.

Motorola was actually advocating the exemption of all educational assistance, including graduate programs. The graduate portion did not pass, but the undergraduate did.

The second measure concerned paying overtime to people in basic education classes. The language is subject to interpretation, but employers who have employees in basic skills education classes up to an eighth grade level, need only pay those employees a minimum wage between the forty and fifty hours worked. Theoretically, a company could require its employees to take remedial training classes up to an eighth grade level and pay them only minimum wage for those extra ten hours of time. However, Motorola pays straight time for those ten hours, rather than overtime.

A third measure concerns the Byrd Amendment, which precludes anyone who is doing business with the federal government, whether hiring a government contractor or requesting a government grant, from using any of the monies from that government work to influence anyone in government. It is such a broadly written piece of legislation, that no one is sure of its interpretation. Motorola is trying to help end this confusion.

