

employees are encouraged to cooperate and respond quickly to unexpected tasks.

2. An organization may also be characterized by differentiation or integration. Differentiation is the tendency of the parts of an organization to disperse and fragment. Integration is the tendency of the parts of an organization to draw together to achieve a common purpose.

3. The four-stage organizational life cycle has a natural sequence of stages: birth, youth, midlife, and

maturity. The birth stage is the nonbureaucratic stage, the stage in which the organization is created. The youth stage is the prebureaucratic stage, a stage of growth and expansion. In the midlife stage, the organization becomes bureaucratic, a period of growth evolving into stability. In the maturity stage, the organization becomes very bureaucratic, large, and mechanistic. The danger at this point is lack of flexibility and innovation.

## Management in Action

### Verizon Is Creating a Culture That Focuses on Shareholder Value

One may be the loneliest number, but Verizon isn't complaining. After appearing five times in the Top 10 over the last six years, the telecommunications company captured the No. 1 spot on the Training Top 125 for the first time in 2012.

Despite a relatively flat training budget and a work stoppage that resulted from the expiration of union collective bargaining agreements, Verizon remained steadfast in its commitment to effective training tied to corporate strategic goals—and had the results to show for it.

"We focused on the major training initiatives that would advance our strategic business goals and business unit/functional-specific initiatives," says Al Torres, VP, Human Resources, Verizon Telecom and Business. "We remained relatively flat on full-time staff across Verizon, but we increased the number of internal subject matter experts (SMEs) significantly to help drive key initiatives deeply through the organization."

Verizon's three main business goals for 2011 were:

1. To build a business and workforce as good as its networks.
2. To lead in shareholder value creation.
3. To be recognized as an iconic technology company.

Verizon's strategic business units (BUs) align BU-specific priorities with the company's business goals and core values. "Our federated L&D organizations, supporting each BU, establish training priorities/initiatives that align with each BU's priorities and Verizon's business goals and values—top to bottom and across," says Magda Yrizarry, VP, Corporate Human Resources. . . .

Creating a leadership culture that leads for shareholder value was one of Verizon's significant goals in 2011, and the company's implementation of Leading

for Shareholder Value (LSV) was a key lever for cultural change. . . .

Sponsored by a new president and CEO Lowell McAdam, LSV is a 1.5-day mandatory executive education program designed to help senior leaders understand how to drive long-term value creation. . . . Each LSV session is led by CEO McAdam and CFO Fran Shammo. . . .

As part of the program design, Yrizarry says, senior leaders are placed in cross-business units and cross-functional teams and given an assignment to identify obstacles preventing Verizon from creating more shareholder value. Each team recommends actions that will remove those obstacles. At the end of each session, each team reports to a panel of top executives. . . .

In addition, during the program, each senior leader submits an Individual Accountability Plan (IAP). These IAPs are aligned with "value drivers" or metrics by which shareholders, analysts, and potential investors assess company performance. . . . Each senior leader selects one to two action he or she will commit to as part of driving SHV. The IAPs then are digitized and provided to Lowell McAdam and business unit presidents for review and follow-up. More than 300 senior leaders now have SHV IAPs that will be incorporated into 2011 performance reviews and, where appropriate, into 2012 performance agreements, Yrizarry says. . . .

At the other end of Verizon's leadership development spectrum, "we are focused on attracting and retaining the best talent from colleges and universities as we see this as critical to building our leadership funnel for the future," Yrizarry says. In 2011, Verizon rolled out a new "Verizon Leadership Development Program" (VLDP) across the enterprise. . . .

"VLDP recruits the highest-performing college graduates at strategic partnership schools with 10- to 12-week Verizon internships and semester-long co-ops

as a primary feeder pool for the full-time college hire VLDP,” Yrizarry says. VLDP currently sponsors Finance, Network Operations, Engineering, IT, Human Resources, and Marketing. After graduation and upon hire, participants complete a minimum of two job rotations. The number and length of job rotations varies between functions over the course of two or three years in the program. All VLDP hires experience a 24-month customized leadership curriculum road map focused on cultural immersion and self-awareness, operational effectiveness, high performance, and leadership preparation. In addition, each function has a functional-specific curriculum road map and experiential development activities.

Innovation is at the core of who Verizon is, according to Verizon Wireless Human Resources VP Lou Tedrick, and “it’s essential to be a leading innovator in order to achieve our goal of becoming an iconic technology company. Our 4G LTE network is key to our future ability to deliver innovative technology to our customers.”

Prior to rolling out its 4G LTE network in December 2010, Verizon delivered 60,000-plus hours of 4G LTE technology and device training to its front-line Sales and Services reps between January and August. “We’ve maintained a one-stop online performance support 4G LTE Resource Center for employees to use at the moment of apply,” Tedrick notes. . . .

With the volume of training taking place—particularly on new products and technology—just how does Verizon measure its effectiveness? At the onset of a training initiative, “we work with key stakeholders and business partners to define what success will look like in terms of employee knowledge, behaviors, and targeted business results,” Tedrick says. “Then, we ideally get a pre-training ‘snapshot’ of knowledge, behaviors, and/or business results to compare with a post-training snapshot.”

Verizon Wireless (VZW), for example, uses a CS New Hire Training (NHT) Scorecard to monitor new hire performance at 30, 60, 90, and 120 days post-training. “Working with our CS Operations Leaders, we measure new hire performance on a set of CS key performance indicators such as ‘Entire Rep Performance,’ ‘Quality,’ ‘First Call Resolution,’ and ‘Average Handle Time.’” Tedrick says new hires consistently meet the expected key performance indicators (KPIs) by 120 days post-training and that VZW has used this scorecard to determine curriculum changes needed for a CS NHT redesign and for targeted reinforcement training. . . .

Tedrick says video/audio podcasts are fast becoming one of Verizon employees’ favorite means for learning quickly. “We’ve built videos to demonstrate system processes for our B2B sales team—accessed from within their primary sales force automation tool. Videos demonstrating new devices provide a quick, effective,

on-demand learning approach.” Viewership is viral, Tedrick says, with employees recommending to peers a video lesson they just watched in a matter of minutes. Indeed, Verizon’s DROID Charge by Samsung video reached 1,240 views shortly after it launched.

“We distribute videos via VZTube, our internal YouTube site,” Tedrick explains. Year-to-date total videos watched: 1,478,412; audio files played: 13,084; total VZTube members: 83,398. Viewership statistics on existing videos are used to make recommendations for future videos. Tedrick notes that low views on a particular video type are taken into consideration when planning future videos that are similar in style and message.

Verizon also expanded its My NetWork Social Networking platform for peer-to-peer collaboration to include My NetWork On-The-Go in 2011. Employees now can access my NetWork features using their mobile devices. . . .

“We’ve found that the keys to success for social media is to ‘pilot’ or ‘trial’ first, so you can work out any issues before expanding to a wider audience, *and* if you track the impact on KPIs, it can be a good case study to share with leaders who may be concerned about the net impact of social media,” Tedrick says. “Additionally, we’ve found that taking a ‘low-key’ approach to social media for learning has let learners try things out for size, then recommend it to their peers. The result is organic versus forced utilization.”

Verizon currently is exploring the use of tablets for delivering Online Performance Support System (InfoManager) content at “moment of apply,” particularly for its Retail representatives, Tedrick says. “This way, our Retail representatives will have access to the information while interacting with our customers and not have to step out of their sales process flow.” Verizon hopes to have it available by mid-year 2012.

## FOR DISCUSSION

1. Using the competing values framework as a point of reference, how would you describe Verizon’s current organizational culture? Provide examples to support your conclusions.
2. What type of culture is desired by CEO Lowell McAdam to meet his goals? Discuss.
3. Which of the 11 ways to change an organizational culture has Verizon used to create its current culture? Provide examples to support your conclusions.
4. Does Mr. Lowell want to create more of a mechanistic or organic organization? Explain.
5. What is the most important lesson from this case? Discuss.

Source: Excerpted from Lorri Freifeld, “Verizon’s New #1,” *Training*, January/February 2012, pp. 28–30, 32. Reprinted with permission of Training Magazine.