

4.3 Employee Development and Training

LITEON's commitment to learning and development

LITEON's mission statement is "the purpose of training is to provide employees with the right management skills, professional knowledge and team work to help the organization thrive and maintain sustainable growth." As a consequence, learning and development receive the highest degree of emphasis at LITEON.

LITEON's learning structure and roadmap

LITEON's learning structure is founded on the organization's strategy, vision, and values. Through comprehensive curriculum planning, a 12-module learning roadmap has been established and organized on four tiers, which are new employees, field- and level-specific training, and self-development.

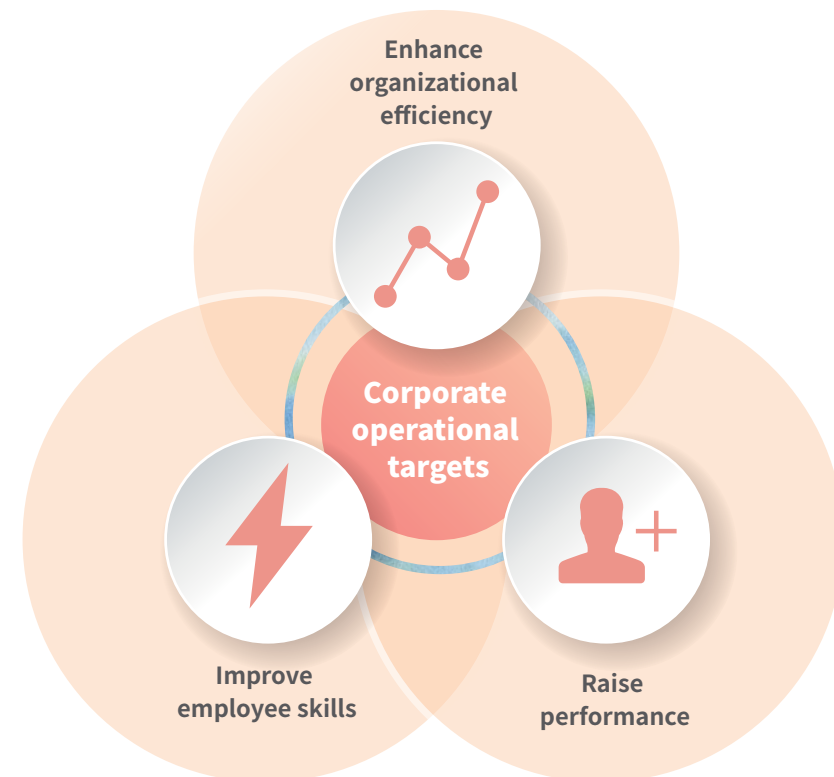
Comprehensive learning and development strategies and plans of LITEON

The LITEON 12-module roadmap is based on the company's business strategies and targets. It is designed to improve personal skills and works so to contribute to the realization of the company's mission and vision. First, we help employees learn and understand LITEON and the Company's direction of future development. Then we provide self-learning resources, including digital learning and LITEON Lectures. For professional training, specialized courses are offered to individual departments as needed. Training in core management competency and quality management is also provided to employees. Finally, we provide advanced management and leadership programs for managers to enable them to combine theory and practice and continue to apply and improve their training in practice. The modules are described in more detail as follows:

The 12-module learning roadmap covers

- for new employees -basic skills, culture shaping, and corporate governance modules;
- modules emphasizing self-learning: Digital learning, LITEON Lectures, and Skill set;
- modules enhancing professional competencies: Domain Knowledge, Core management competencies, and Quality management; and
- modules designed for the management: NTU Campus, Leadership, and Advanced Manufacturing.

These modules allow employees at every level to set goals for self-development. The organization operates more efficiently with a positive training cycle, and thereby achieves the operational goals and fulfills the mission and vision of sustainability.



LITEON comprehensive employee learning and development strategy blueprint

NTU College/Leadership

LITEON co-organized four advanced courses for managers with an academic institution over 2015 to 2019. The company again selected participants with potential and provided them with regular management and team building courses with onboarding/offboarding evaluation. The system is designed to help participants put their learning more extensively into practice.

OGSM training in 2020:

To achieve the company's targets, LITEON requires the planning, execution, control, assessment, and modification cycle be followed in sales, product development, supply chain management, production, and quality control. Hence, for the purpose of ensuring effective top-down implementation of the company's business strategies and enforcing internal management measures, LITEON introduced OGSM training courses this year. These courses are designed to help managers and their teams focus and communicate on and execute annual plans. Communication along the chain of command should remain open and uninterrupted. Managers should lead by example and start a positive accountability cycle. Internal management measures will be optimized on an ongoing basis.

Number of participants: 372, with 94.0% of Taiwan senior managers attending (158/168)



L4: Benefit evaluation	Contribution Revenue (NTD million of revenue)/ Number of Taiwan senior managers	NTD 935.3 million/person (up by 8.8% compared to 2019)
	Contribution Net profit (NTD million of net profit)/ Number of Taiwan senior managers	NTD 59.6 million/person (up by 31.6% compared to 2019)
L3: Behavior evaluation	Post-training follow up on 48 managers' behaviors (how to convey OGSM to team members)	100% completed
L2: Learning evaluation	Progress	100%
L1: Reaction evaluation	Satisfaction	91%(97 questionnaires returned)

Core management competencies

For the purpose of strengthening internal personnel training and development, there are mandatory courses for all levels of employees. Employees/Managers nominated for promotion in a year are required to complete the corresponding mandatory courses before nomination in order to ensure that they possess the necessary core management competencies for their intended positions.

Digital learning

A wide variety of learning resources: The program combines external learning resources such as e-newsletters and Commonwealth Leader Academy courses. It provides a rich variety of micro-learning resources for LITEON employees. Online learning resources were accessed 147,068 times in 2020.

Development of digital courses: LITEON works with academic institutions and joins with business units to provide customized quality learning materials. A total of 25 courses were created in 2020.



LITEON Lectures

The lectures offer a wide range of topics, covering both professional topics and softer topics. Most speakers are university professors or industry experts. They provide new work or life related knowledge for LITEON employees.



Skills

To help employees become better equipped for remote coordination in response to the change in the place of work due to COVID-19, the company provided O365 and WFH courses aimed at improving coordination. The number of participants exceeded 4,000, and the number of training hours accumulated exceeded 4,500. Satisfaction with the courses reached 94% (based on more than 2,500 questionnaires returned). More than 3,200 people activated a WVD account.

LITEON encourages employees to build up soft power by learning a foreign language. The company continued to offer a language incentive program for employees. A total of 222 people applied to participate in the English learning program this year. 144 people (65%) moved one or more level up and received a reimbursement.



Advanced manufacturing

LITEON promotes planning and construction of advanced manufacturing (A-MFG). The head office makes plans, and guides the business units in transforming process management and manufacturing management by digitization/intelligentization/automation.

Example

Project description
Background: LITEON reconstructs quality manufacturing through automation and digital transformation. In 2017, the company started implementing big data and IoT remote monitoring, and installed a large number of smart manufacturing systems. The plan was to proceed in three stages, digital, web-based, and intelligent. The head office would design the overall structure, and the business segments would create paths of complete transformation based on the characteristics of their products. A total of 39 sessions of digital transformation and A-MFG courses were offered in 2020 (7 in Taiwan and 32 in Mainland China). The courses were attended by 606 people (208 in Taiwan and 398 in Mainland China), excluding those who were staff at the venues or lecturers. The courses gave participants more extensive knowledge of smart manufacturing and automation technology.

Project results are as follows

Category	Indicator	Project at Plant A	Project at Plant B
L4 : Benefit evaluation	Contribution to revenue	NTD 4.86 billion	NTD 50 million
	Increased yield ^{Note 1}	NTD 58.3 million	-
L3 : Behavior evaluation	Increased productivity ^{Note 2}	NTD 15.4 million	-

Note: 1. Reduced material consumption with increased yield
2. Saving in the costs of time and manpower with increased productivity

Domain knowledge / Quality control

To realize its vision and strategy, LITEON makes specialized courses on professional training, manufacturing, and quality available to employees. In addition to helping employees gain professional skills, the courses are intended to provide a common language between project team members and create a high performance management model.



Basic skills, Culture shaping, Corporate Governance

In order to quickly familiarize new employees with LITEON's corporate culture, in addition to the courses on their first day of work, new employees are required to complete orientation training within 1 month. 21 online courses are in place to convey the company's vision, mission, and regulations and help new employees quickly assimilate to the LITEON organization. (The completion rate was 91% in 2020)¹

Note: 1. Formula: Number of new recruits completing the course/Number of new recruits (both excluding departing employees)

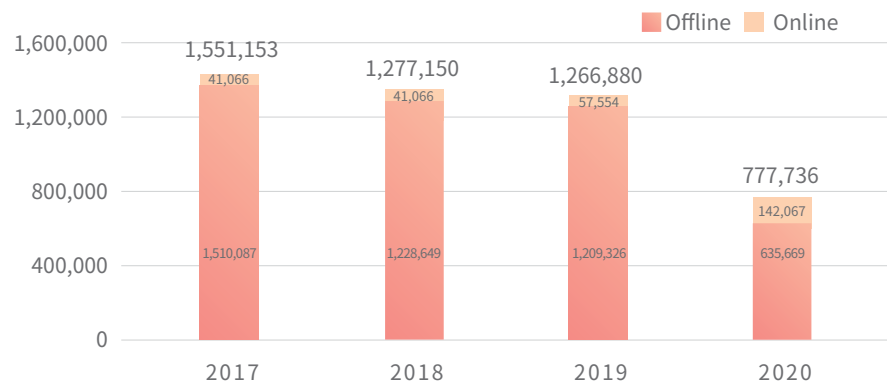


In 2020, LITEON employees completed 36,346 training sessions and a total of 777,736 training hours. On average each person completed 21.4 training hours. (including 2.0 hours of general compliance training and anti-corruption training)

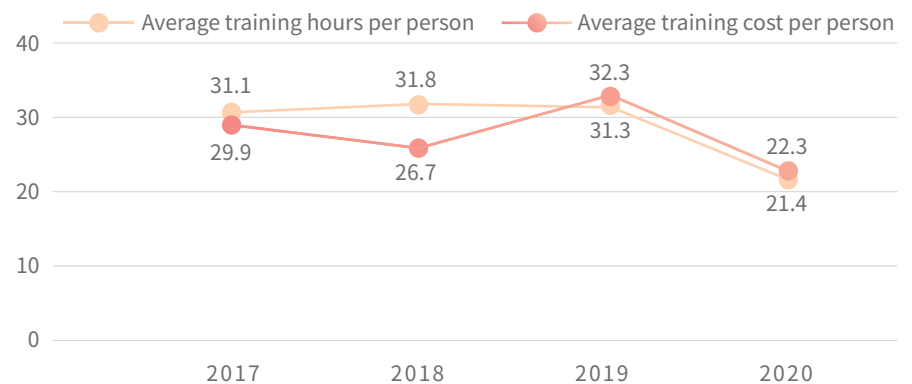
Category	Taiwan			Mainland China			Thailand			Vietnam ¹			India ¹			Other foreign countries ¹			Total		
	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
Male	29.1	26.0	29.5	22.7	27.7	32.6	3.5	9.5	59.3	4.6	3.9	-	7.9	2.3	-	25.2	67.3	-	22.4	27.7	32.8
Female	23.8	20.2	22.9	18.4	21.6	23.3	4.7	6.5	87.3	6.9	4.8	-	6.4	0	-	107.6	149.2	-	18.7	22.6	29.8
Indirect labor	Executive Management	20.5	8.6	13.1	0.0	8.0	-	0.0	-	-	-	-	-	-	-	11	17.7	-	19.2	9.4	13.1
	Senior Manager	28.2	11.0	19.1	2.8	17.3	9.4	0.0	-	-	-	-	-	-	-	5.9	3.7	-	23.2	10	18.4
	Mid-level Manager	27.6	19.1	24.6	20.0	12.6	14.2	14.4	18.5	56.0	-	-	-	-	-	13.0	9.6	-	24.5	17	22.7
	General Indirect Labor	30.5	20.5	25.0	32.5	16.2	12.2	5.3	26.0	12.5	5.7	4.2	-	12.2	2.3	-	15.3	16.9	-	29.4	17.2
Direct labor	5.1	4.9	2.6	17.3	27.1	33.2	4.0	4.0	91.7	5.9	4.2	-	3.4	0	-	140.7	240.9	-	17.1	27.6	46.6
Hours of external and live courses ²	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6	0.3	0.2
Average training hours	27.3	23.8	27.0	20.9	25.1	28.7	4.5	7.1	81.6	5.8	4.2	-	7.8	2.3	-	57.9	98.7	-	21.4	31.3	31.8

Note: 1. Data for Vietnam, India and other countries are absent for the years prior to 2018
 2. For hours of external and live courses, the system is currently unable to separate regions or genders

Total training hours (online+offline) 2017-2020 (online+offline)



LITEON training hours per person (hours)/cost (NTD hundred) 2017-2020



RBA code of conduct courses in 2020

Location	Number of employees	Training participation - male	Training participation - female	Total number of participants	Percentage of total	Total training hours
Taiwan	3,679	2,331	1,111	3,442	93.6%	7,426
Mainland China	28,311	16,863	10,855	27,718	97.9%	135,452
Thailand	2,125	216	1,160	1,376	64.8%	7,287
Vietnam	1,206	432	742	1,174	97.3%	587
India	245	174	5	179	73.1%	400
Others	780	130	153	283	36.3%	174
Total	36,346	20,146	14,026	34,172	94.0%	151,326

Note: The courses cover the Responsible Business Alliance (RBA) Code of Conduct, the LITEON Human Rights Policy and Ethical Corporate Management Principles, internal audit and control courses, occupational health and safety courses, and energy conservation and carbon reduction campaigns.

Material Insider Information, Anti-trust and Compliance courses (average 2.0 hr/ person) in 2020

Location	Number of employees	Training participation - male	Training participation - female	Total number of participants	Percentage of total	Total training hours
Taiwan	3,679	2,279	1,020	3,299	89.7%	3,516
Mainland China	28,311	14,883	10,244	25,127	88.8%	65,115
Thailand	2,125	49	75	124	5.8%	1,300
Vietnam	1,206	432	742	1,174	97.3%	587
India	245	0	0	0	0.0%	0
Others	780	99	93	192	24.6%	384
Total	36,346	17,742	12,174	29,916	82.3%	70,902

Note: To enhance advocacy, it is also listed as a mandatory course in mainland China in addition to Taiwan, and the colleagues and business units who have not completed the course were prompted to complete increase the participation rate.

Overall training performance assessment

Level	Items	2020	2019	2018	2017	
L5	Return on training (Net profit / Training cost)	122.1	75.0	71.4	16.3	
L4	Average contribution per person (NTD million of revenue/Total headcount)	4.3	4.6	5.0	4.1	
	Average contribution per person (NTD million of net profit/Total headcount)	0.28	0.24	0.18	0.16	
L3	DL Key person retention rate	91.2%	87.3%	86.8%	93.7%	
	IDL Annual monthly average turnover rate ¹	Male	2.0%	2.8%	4.1%	2.8%
		Female	1.8%	2.5%	3.4%	2.7%
	Self e-learning	147,068	90,811	74,744	30,208	
L2	Test score	89.9	92.2	92.4	91.9	
L1	Overall satisfaction	90.8% ²	90.8%	90.6%	90.0%	
	Administration satisfaction	91.6% ²	91.4%	90.8%	90.2%	

Note: 1. IDL Annual monthly average turnover rate calculation: Monthly average turnover rate = (Monthly average number of departing employee over the year) / (Total sum of month-end employee count from Jan to Dec/12) *100%

2. Satisfaction is the result of an offline survey (4,400 questionnaires returned for 2020).