

Case study – george david

Education



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CASE: 1 GEORGE DAVID 1. What makes George David such a highly regarded manager? * Best Educated Manpower One of George David's most notable good deeds was to set up a landmark of \$60 million per year employeescholarshipprogram in 1996. The program helps each UTC employee who wants foreducationto pays their college tuition, books, fees and even time off to study. David also extended benefits for four years to laid-off workers who had been relocated.

He even added another incentive with amount \$5, 000 worth of company stock to all employees who complete associate degrees and \$10, 000 worth of company stock to those who complete bachelor degrees or higher. In the first three years of the program, UTC has spent more than \$100 million on tuition, fees, and books. According to David, he said that the employee scholarship program was designed to meet his goal of having " the best educated workforce on the planet". When David first proposed the program in 1995, other executives believed the employees would take their new degrees and use them to benefit other employers.

However, the evidence shows that employees who go through the program had become more loyal to UTC, he successfully retained his employees and raised the skill level of workers as the turnover rate for these employees has been about one-half that of the overall workforce. * Reorganizing UTC with a focus on Business excellence During his tenure as CEO, David thoroughly reorganized UTC. He dramatically cut down the size of head office and decentralized decision making to business divisions.

He also developed a new financial reporting system that would give him good information about each division and make it easier to hold divisional

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general managers accountable for their performance respectively. In the other hands, he also set demanding goals for earnings and sales growth for the employees and motivate them by implementing ACE program for improved productivity and building a strong management team that yields big results. * Concerned About Employee's Safety David was adhering to social responsibility. Despite his interest in shareholder value, he was concerned about his employee's safe and health.

David wanted each employees adhere to the highest ethical standards, which the company having minimal environmental impact. He strongly advocates the Employee Safety at the place of work, employee's safety always remain as the top consideration in the workplace. * A mix of toughness and sensitivity David has the right mix of toughness and sensitivity. He would offer help to people struggling at work but would not tolerate repeated instances of incompetence. David is demanding but he also makes it a point to listen to his people. 2. How does David get things done through people?

David had all the qualities, skills of an efficient Manager. With the conceptual, Technical and managerial skills that he possessed, David had the ability to get things done through people. He combined some of the best Japanese manufacturing techniques with an intense focus on shareholder return (something Japanese companies are not particularly known for). That's how he achieved exceptional performance over a long period. With the help of Yuzuru Ito, he developed a program known as Achieving Competitive Excellence, for improving product quality, increased productivity and to lower the cost of production.

His employee friendly schemes like Scholarship program, Safety at work ; Corporate Responsibility towards the environment made him popular among employees and they became more loyal to the company. The manufacturing operations that were susceptible to quality improvements, efficiency improvements, and technological improvements were the process disciplines of UTC under David's presidency. David has the right mix of toughness and sensitivity. He would offer help to people struggling at work but would not tolerate repeated instances of incompetence. David is demanding but he also makes it a point to listen to his people. . What evidence can you see of David's planning and strategizing, organizing, controlling, leading, and developing? David's planning, organizing, controlling, leading and developing the company made UTC see greater heights. Planning ; Strategizing: One of the first things David did when he became CEO of UTC was to bring in Yuzuru Ito, the quality guru who helped him formulate his guiding principles of leadership. With the help of Yuzuro, David rolled out the ACE program which improved the production quality, increased productivity and lowered the cost of production.

He started the Employee Scholarship Program due to which, the employees became more loyal to the company becoming partners of growth. It also resulted in a better skilled workforce. Organizing: During his tenure as CEO, David also radically reorganized UTC. He had to take some harsh decisions and had to lay off many employees. Controlling ; Developing: To have more control on the staff and to make them accountable, he developed a new financial reporting system that would give him good information about how well each division was doing.

Hence the divisional general managers were accountable for the performance of the units under them. He then gave demanding goals for earnings, cost reduction, increased sales and pushed them to improve processes within their units. Leading: David stressed on goal setting and holding people accountable. He insisted that UTC employees adhere to the highest ethical standards. Thanks to his quality-improvement techniques, UTC was running to achieve maximum efficiency. 4. Which managerial competencies does David seem to possess? Does he seem to lack any? David had all the qualities, skills, competencies of an efficient Manager.

With the conceptual, Technical and managerial skills that he possessed, David had the uncanny ability to get things done through people. David has the right mix of toughness and sensitivity. He would offer help to people struggling at work but would not tolerate repeated instances of incompetence. David is demanding but he also makes it a point to listen to his people. He had the foresight to see how a superior education funded by the organization would lead to not only a better qualified workforce but would also in turn result in long term loyalty.

David also showcased his ability to take tough decisions by decentralizing and laying excess staff in order to have a lean and effective business. He directed his accounting staff to develop a new financial reporting system that would give him good information about how well each division was doing and make it easier to hold divisional general managers accountable for the performance of the units under them. David set demanding goals and encouraged his general managers to deliver them by using the ACE program.

He worked towards building a positive workculturewith values and ethics at the heart of operations.