

# [General electric case study](https://assignbuster.com/general-electric-case-study/)

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They were the first company to Invent the Incandescent light bulb and have continued to develop innovating products.

GE made history with the first voice radio broadcast in 1900 and expanded into the world of electronics soon after. Ranked in the Fortune 500 companies, GE is the 6th largest firm in the U. S. Jack Welch became the youngest CEO in Gee’s history In 1981. When Welch took over at GE, corporate America was In trouble. Wheel’s goal was to make GE the world’s most competitive company in the world.

He knew that business model in corporate America had not changed in decades.

Welch developed techniques that allowed GE to move forward by reinventing the company from the top to bottom. Welch believed hat a profitable business was all about capturing something from every employee, to involve everyone (The Welch Way, Jeffrey Kramer). During Wheel’s tenure as CEO of GE, the company’s value rose 4000% with his personal net worth estimated to be $720 million on his retirement. Starting as a chemical engineer, his career rose quickly. Welch worked to eliminate the bureaucracy within GE and was known to have” brutal candor” with his executives.

He rewarded the top 20% with bonuses, fired the bottom 10%. , and opened stock options to all employees. Jack brought an Informal management environment to corporate America. According to Welch, leaders of large organizations need to possess a high level of energy. What is even more important to Welch is that the leaders of a successful organization should know how to use their own energy to motivate others.

By finding out the best Ideas from your own employees, implementation is more easily accepted .

Jack Welch has Ideas that make sense and reaches out to the employee to take part In the day to day actively of the organization. Welch was not a fan of the management concept, he preferred the term leadership. He believed that if you understood the true definition of leadership, you would engage a more successful company. To him, a leader inspires people with their clear vision on how to do things. According to Welch, ” employees usually associate management Walt Knolling too much Ana looking smarter than toners.

I nee ay not inspire people.

I do not like the qualities “ associated” with management, monitoring, suppressing people, leaving them in the dark, wasting their time on trifles and reports. Squeezing their throats. You cannot possible implant self-confidence in people this way. ” ( Dry Rake Outcry, 2007).

Key words of wisdom and leadership from Jack Welch are everywhere in the organization, from speeches to stockholders to the employee. Each employee carried a small, wallet size card that states the values of the GE organization, no employee is without this card.

The card reads: “ GE leaders…

.. Always and in unshakeable integrity Possess a passion for perfection and hate bureaucracy Are open to ideas coming from any direction.. And dedicated to finding solutions Live quality..

And force cost and speed for the sake of competitive advantage Have the clear confidence to embrace everyone and do not act from distance Have a clear and simple vision based on reality.. ND communicate this to all employees They have an enormous energy and power to transmit this to other people Exaggerate.. UT aggressive targets.

. Encourage progress.. Understand responsibility and commitment They see the transformation as an opportunity..

Not as a threat Possess global brains.. And form various global teams ” ( GE. Com) When Welch retired from GE the corporation was continually improving. This mindset gave GE consistent earnings and growth needed to remain successful.

Jeff Melt was the selected internal successor of Welch. Melt had risen from the finance apartment to the Director of GE Medical, and was the right fit to follow Welch.

In 2001, Melt became Gee’s CEO. His specific goal was to accelerate organic growth at the company and become less dependent on acquisition. GE operates in a high- tech industry. In this area acquisition problems are common and the integration process could become a weakness that leads to failure.

Jeff Melt believes that influential leaders are able to get outside the company, to understand new markets and customers. He inspires his management team to be an expert in the business and to be passionate about what they are doing.

Melt worked to improve processes, changing some of the beliefs of the Welch era and focusing on a global workforce to accommodate the changing market. Melt put two of Gee’s “ Welch era” strengths, process orientation and ability to develop, towards new goals. He wanted to draw revenue from existing business and globalization.

Working for GE means being creative and thinking big, a place where management works cross functionally across all regions and divisions. In genuine GE style, Melt has installed a process for coming up with ideas for new business development.

He developed the theme” Imagination” and requires his highest business executives to submit 3 breakthrough proposals each year that must take GE towards a new growth direction. (Jim Pinto, 2006). Millet’s learners style Is a Della AT encouragement, Ana analyses. He Is elementally long term market shifts to determine what is next for GE.

Like Welch, he is always looking to the future and the next opportunity for the company. Melt is routinely described as “ comfortable in his own skin. ” In his autobiography, Mr.. Welch wrote that he selected Mr..

Melt as his successor because “ l felt Jeff had he perfect blend of intelligence and edge and epitomized the trait that is so important to me ? he was really comfortable in his own skin (Steve Lour, 2010). Young and rising stars in GE are encouraged to study and visit other successful organizations to obtain other viewpoints on sustaining market share. Survival skills are necessary for today’s real world business. Gee’s management tradition states patience, optimism and lengthy tenure. Welch was at the helm for two decades, and Melt has been there for nearly one. References Http://vow.

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Businesslike. Com/1996/44/baobab. HTML us nines/edge. In September 2001 Jeff Melt had become Gee’s CEO and set a specific goal: to greatly accelerate organic growth (internal growth) at the company and become less dependent on acquisition” (Millet, Consideration & Terrible, 2009 Read more: http://www. Americanizes. Com/study-aids/free-essays/management/GE- organic-growth-and-m-and-a.

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