

Organizational business

Business



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first Institute Describe Welch's leadership style using (a) the Ohio dimensions, (b) the managerial grid, and (c) LMX theory. Based on the Ohio State dimensions, Welch's leadership is of high structure and low consideration as he focused on tasks in achieving the desired results. Relationships did not matter, or they were decided based on the tasks and results achieved. From the managerial grid perspective, Welch's leadership style can be categorized as that of dictatorial with authority and compliance because the emphasis is high on task and job requirements; it is less on relationships (Northouse, 73). Through this approach, Welch was able to drive results while getting rid of all obstacles in the way. Applying the LMX theory, Welch's leadership is incongruent with this approach. However, considering the culture brought by Welch, which includes strong team working, performance management, 360-degree feedback system, etc, the LMX theory seems appropriate. However, Aditya et al. argue contrary to the LMX theory due to the unstable work teams and low employee commitment (p. 154).

2) Assess Welch's leadership effectiveness as assessed by (a) stockholders, (b) GE managers, (c) GE employees, and (d) communities where GE operations are located. According to Pearce et al, 'GE under Welch built more value for its stockholders than any other company in the history of global commerce' (393). From this perspective, Welch was the most effective leader than any other known leader. For the GE managers, Welch's emphasis on cost-cutting, innovation, demanding targets etc seemed authoritative; yet, his energy, charisma and passion were the driving forces for managers to achieve these goals. For GE employees, Welch was certainly terrifying; for them, Welch's effectiveness as a leader would have positive as well as negative impressions. For the communities, Welch had taken away

thousands of jobs, which left most of the people in despair, and therefore not very much in Welch's favor. 3) Would you describe Jack Welch as a successful leader at GE? Explain. Welch has been a successful leader at GE. Welch, as a transformational leader, was able to successfully transform the fate of the company, and took it to the number one position in the world. His foresight and ability to assess the positive and negative aspects of the company helped in formulating strategies that can be used to improve the company's performance. Further, his courage to challenge the status quo of management practices and successfully implement new practices and approaches has set examples for the other industries. Through his authoritative approach, he introduced employee practices that would enable creativity and innovation; recognize and appreciate contribution and performance. Through his visionary approach, he constantly anticipated change and modified his strategies accordingly. His constant struggle to achieve higher outcomes and the passion to remain at the top helped the company make immense profits. Though many employees were laid off during this process, the existing employees had immense opportunity to learn, improve and grow. This promoted commitment and learning. 4) How would you rate the ethics of Welch's leadership? Welch's leadership based on simple, straight, and transparent rules and policies seems idealistic in any management situation. Moreover, Welch's approach towards taking GE to the top most ranks in the industry by adopting certain rigid practices were new and shocking to most in the industry. As the CEO, Welch's aim was to take GE to the top position and sustain that position, for which he adopted practices which he believed were right for the business. From Welch's viewpoint, his vision, his plans and strategies, and his team were at the

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forefront. The philosophical and/or ethical grounds on which GE previously operated was challenged by Welch's approach. His aggressiveness did achieve outstanding results, but at the cost of thousands of employees and businesses. Therefore, Welch's leadership seemed intimidating and discouraging for many. His behavioral qualities of bluntness, sarcasm, emotional volatility, teasing humor and aggression contributed to the discouragement. However, what needs to be noted is that Welch actually changed the bureaucratic culture that prevailed at GE, and which to a large extent was the cause for its nonperformance. Welch's transformational leadership induced competitiveness, risk taking, creativity, self confidence and dynamism in GE's culture through congruent policies and practices (Trevino & Nelson, 157).

5) Would you have wanted to work for Jack Welch? Why or why not? Working for Jack Welch would be the most treasured opportunity for someone interested to learn, grow and know how to achieve higher outcomes. If I worked for Jack Welch, I believe that I would have had the chance to understand how to prepare for change and bring about change effectively. Customers are the most important elements of any business; in order to meet customer demands, it is important for the employees/organization to change; this will also help in retaining and acquiring more customers. I would derive inspiration from Jack Welch's passion for excellence and learn how to assess gaps as well as conquer them.

6) Using the 5 characteristics associated with the Organizational Development(OD) paradigm values evaluate Jack Welch's approach to organizational development. Jack Welch had exemplarily demonstrated overall organizational development through his strategic approaches. Organizational change through GE's Work-out is a large-scale intervention of

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effecting change throughout the organization. All stakeholders including employees from different parts, shareholders, suppliers, customers were gradually involved; this initiative is now a process of working and problem solving at GE (Daft and Lane, 289). Secondly, GE's work-out program also signifies collaborative approach, which requires employees, suppliers and other stakeholders to work together. Jack Welch had changed the concept of performance management, and introduced extensive performance reviews to reward top performers, a policy known as 'rank and yank' (Brown & Harvey, 461). Although Welch's leadership is disinclined towards humanistic orientation and more emphasized on result orientation, GE's participative, involving, and empowering culture have humanistic orientation, which are used to motivate employees, foster competitiveness, and reward and recognize performance. Welch advocated and supported innovation, automation and processes that can simplify work and improve quality, which have certainly contributed towards GE's success (Stasinopoulos, 8). All these practices and procedures, which were introduced by Welch have contributed to the success of GE in a sustainable manner. Works cited Aditya, Ram N, Robert J House and Steven Kerr. Theory and Practice of Leadership: Into the New Millennium. Ed. Locke, Edwin A and Cary L Cooper. Industrial and Organizational Psychology: Linking Theory with Practice. Oxford: Wiley-Blackwell, 2000. Brown, Donald R and Don Harvey. An Experiential Approach to Organization Development. New Delhi, Pearson Education India, 2006. Daft, Richard L and Patricia Lane. Management. Edition 9. Ohio, Cengage Learning, 2009. Trevino, Linda K and Katherine A Nelson. Managing Business Ethics: Straight Talk about How to Do It Right. Edition 5. USA, John Wiley and Sons, 2010. Pearce, John A, Richard B Robinson, Amita Mital. Strategic <https://assignbuster.com/organizational-business/>

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