



LEADERSHIP AND MANAGEMENT, THEORY AND PRACTICE

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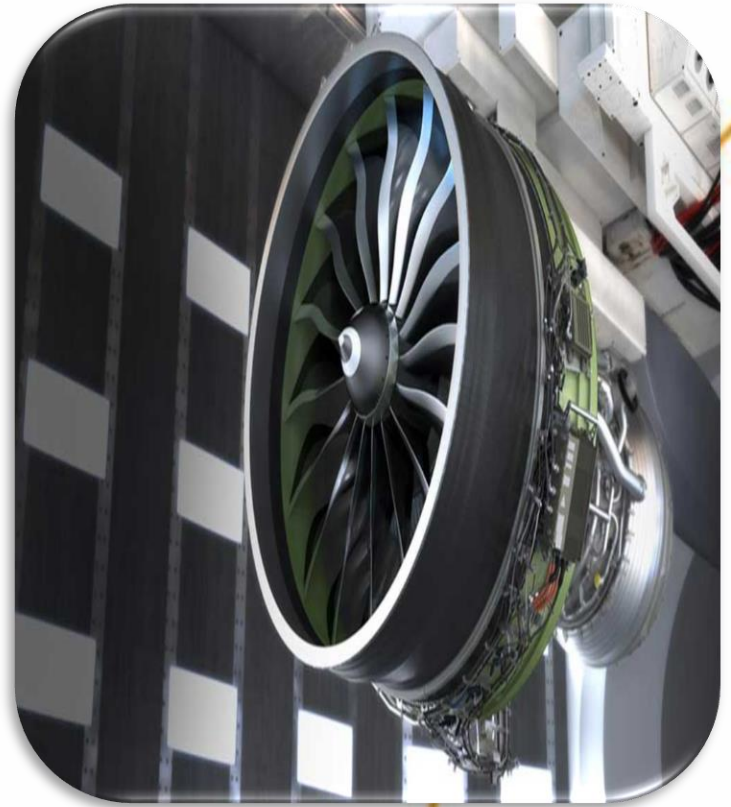
Introduction

- Leadership and management styles are considered to be essential aspects of organisational development and improvement in productive attributes (Northouse, 2021).
- Jack Welch joined GE in 1960.
- Welch became CEO in 1981.



Jack Welch and GE

- General Electrics in the word energy leader.
- Jack Welch has been serving as the CEO of GE ever since 1981 to 2001.
- Welch follow unorthodox leadership style.
- Pushing and encouraging employees to achieve more .



Leadership perspectives

- Leadership perspectives have an essential role to play within the development of organisations (Waldman and O'Reilly, 2019).
- Transformational leadership theory.
- Transactional leadership theory.



Leadership perspectives (Transformational)

- Transformational leadership generate high levels of communication and motivation.
- Initiates a positive change and creates a valuable approach to transform followers into leaders.
- Transformation through enabling and empowering subordinates.



Leadership perspectives (Transactional)

- Transactional leadership rewards employees who are motivated by self-interests (bonuses, money).
- Short-term goals are achieved quickly.
- Employee's creativity is limited.
- Transactional leadership style: “I will reward you this, if you do that....”



Leadership perspectives (Jack Welch)

- Jack Welch used Transformational leadership style.
- He never believed in creating boundaries and restricting his employees contribution,
- Welch implemented a major count of changes for initiating positive attitude among employees (Fernandez-Araoz, 2020).



Attributes of Leadership

- A good leader possesses self-awareness.
- Solving problems effectively.
- Seeking different perspectives.
- Support their team.
- Efficient leaders accountable in terms of mistakes committed by team members.



Jack Welch's leadership qualities

- Jack Welch believed in encouraging employees.
- Welch is reviewed as a responsible leader with qualities such as accountability, focus and empathy.
- Welch used an equal division of work for his employees.
- Focus on changing when necessary.



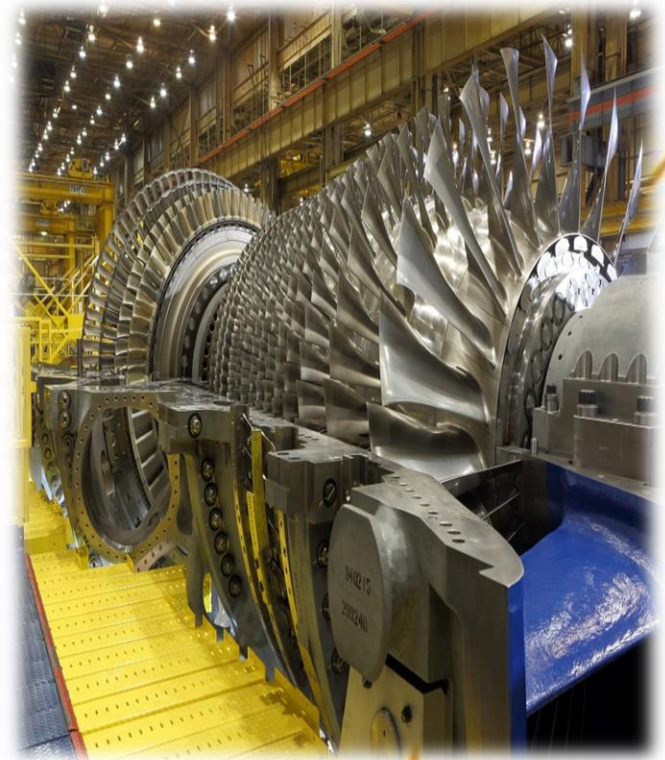
Jack Welch's Management qualities

- Jack Welch mantra: Focus, consistency and follow up.
- Strong and competitive.
- Designed system for performance management to identify the best talents within GE (The Jack Welch management institute, 2023).
- “Rank and Yank” – management activities of ranking employees.



Benefits of the Leadership style

- Transformational leadership style helps in establishing healthy relationships between leaders, managers and employees.
- Initiates influence within the organisation and among employees.
- Create sense of value within employees (GE Indeed, 2023).
- Motivates employees, increases retention rates and reduces employees turnover.



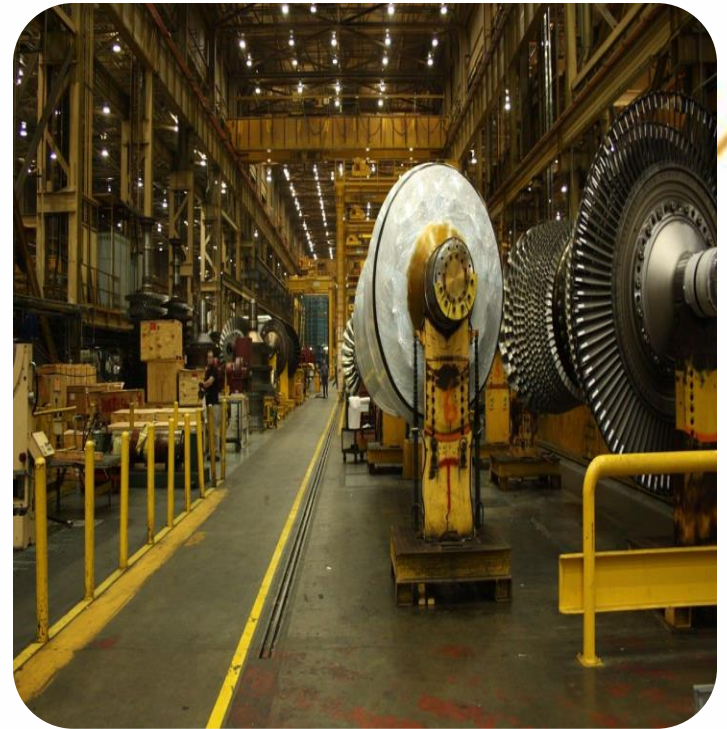
Principles of Leadership

- Transformational leadership believes in encouragement of employees for better delivery of work.
- Jack Welch creates vision that employees not only see, but live and breathe it.
- Established trust, candor and credit (Severson, 2017).



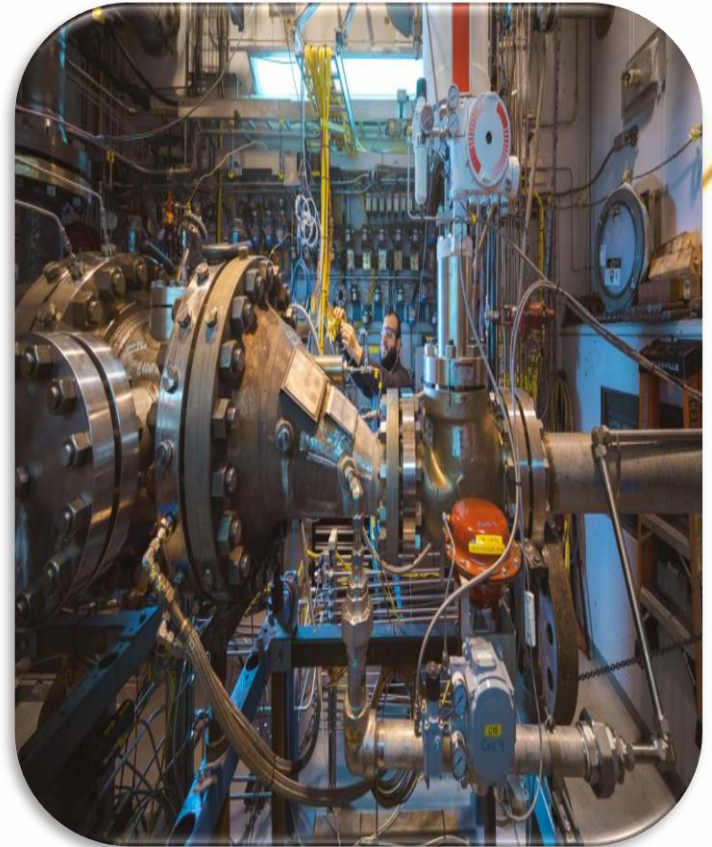
Limitations of the Leadership style

- Lack of focus on essential tasks.
- Tend to experience more emotional exhaustion.
- Fewer checks and balances.
- Constant maintenance/communication.



Challenges of the Leadership style

- It can be risky and disruptive when it comes to giving orders.
- Leaders could lose power if employees disagree with them.
- It could lead to negative effects on employees stress, strain and burnout.



Theoretical perspectives (Leadership)

- Leads subordinates.
- Employees adopt the interest of the company.
- Intellectual simulation of employees.
- Creates a vision to guide a change.
- Influence/inspire



Theoretical perspectives (Management)

- Five functions of management define by Henry Fayol (Fayol, 2002)
- Planning
- Organising
- Commanding
- Coordinating
- Controlling



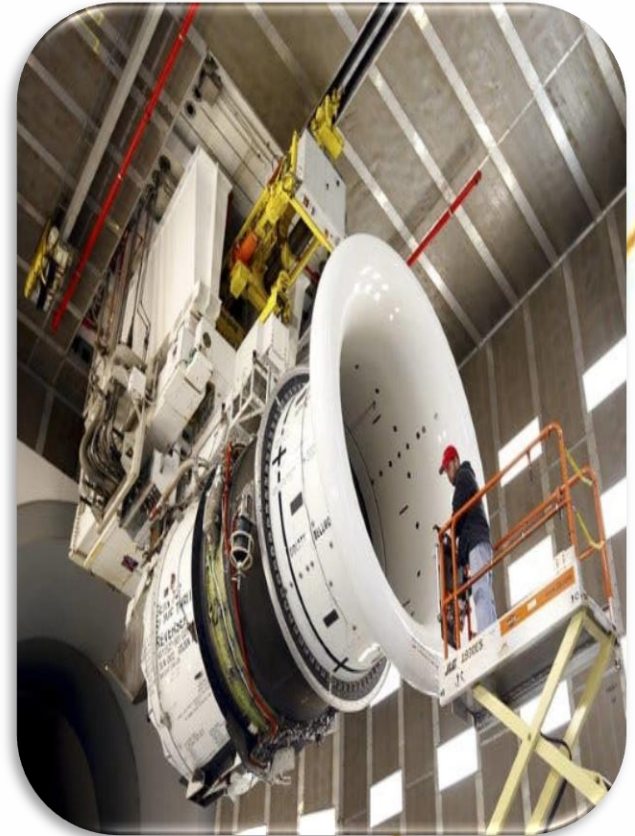
Theoretical perspectives – Jack Welch

- Transformational leadership allows the implementation of positive contributions to General Electricity.
- Welch hired the right people for the right positions.
- Welch spoke with candor with his employees (Fernandez-Araoz, 2020).



Conclusion

Jack Welch has been following the transformational approach to leadership qualities and followed the “Rank and Yank,” better known as the “vitality curve” for management styles.



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