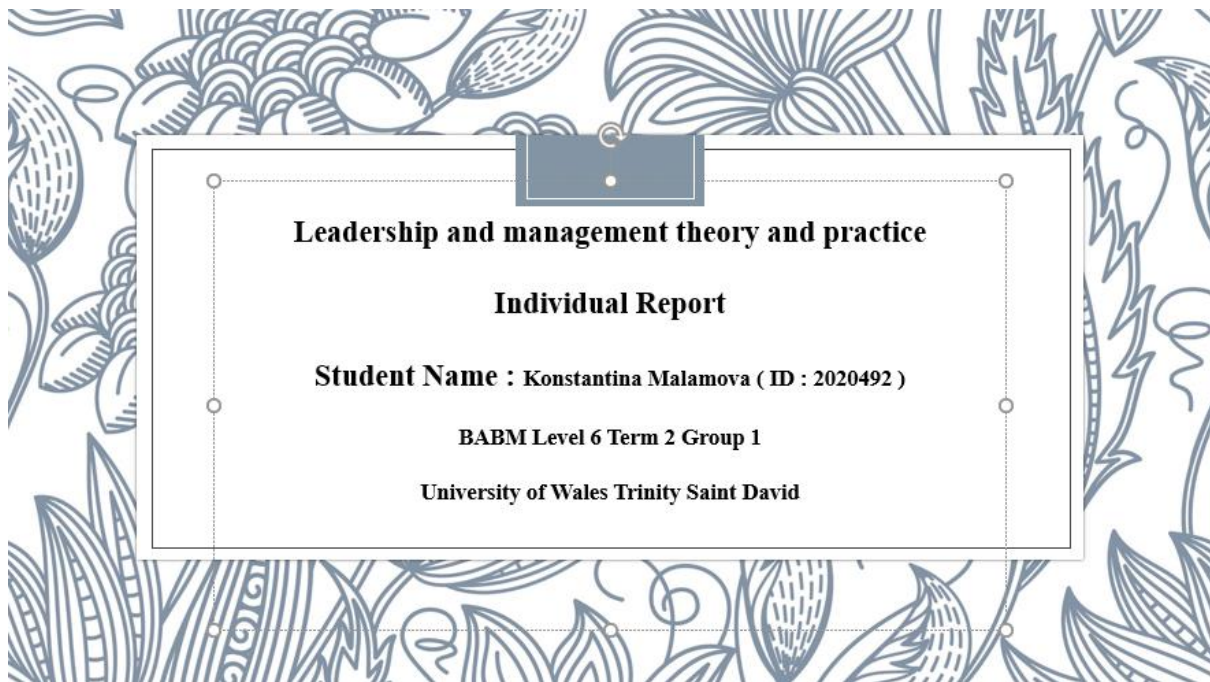




Evaluation of the Boundaryless Organisational Structure

Assessing the impact of flattened hierarchies and reduced silos on GE's ability to innovate

The ability of GE to innovate and react to market changes is significantly impacted by the flattening of hierarchies and the elimination of silos. Ideas and skills might more easily flow between various departments of the company as a result of the removal of hierarchical barriers and the encouragement of a more collaborative and open environment. This encouraged innovation and creativity by facilitating the exchange of various points of view (forbes, 2020). Flattened hierarchies also allowed employees of all ranks to share their knowledge and use their own discretion, enabling them to respond to market developments more swiftly and adaptably. Overall, GE's capacity to develop distinctive solutions and swiftly adjust to changing market conditions was enhanced by the elimination of silos and flattening of hierarchies.

Discussing the potential challenges of this structure

While Jack Welch's boundaryless organisational system at GE had several benefits, it also had some potential risks and drawbacks. The absence of distinct hierarchical boundaries presented a challenge because it could lead to problems with coordination. Decision-making and coordination may become more complicated and time-consuming without well-defined reporting connections. Furthermore, a boundaryless organisation may lead to ambiguity in duties and tasks, making it challenging to assign ownership and evaluate individual performance (Santos and Eisenhardt, 2005). In order to overcome these difficulties and guarantee the efficient operation of a boundaryless organisation, maintaining strong coordination and accountability systems becomes essential.

The boundaryless organizational structure in GE had both advantages and disadvantages. While it facilitated collaboration, innovation, and global integration, it also presented challenges in terms of accountability, complexity, and cultural change. The success of the structure was dependent upon Welch's effective leadership, clear communication, and strong alignment with GE's vision and goals.

Performance Management System: Rank and Yank

Explaining the system

The goal of the Rank and Yank system was to create a high-performance culture and ensure that GE retained only the most productive and valuable employees. Welch believed that such differentiation would drive competitiveness and motivate staff to continuously improve.

When Jack Welch introduced the Rank and yank system at GE, employees were ranked according to their performance, and the poorest 10% were then fired. Managers have to evaluate and classify workers according to their contributions, abilities, and results attained.

The corporation fired anyone who scored in the bottom 10%. This strategy sought to establish a meritocratic culture in which top performers were recognised and rewarded and underachievers were found and either improved upon or fired (Post, 2023). Even though it was divisive, the Rank and yank system sought to foster competition, encourage people to always improve, and guarantee that GE had a highly effective workforce. It is important to know that Rank and Yank system was eventually phased out at GE after Welsh's tenure. Different organisations have different performance management systems, therefore the Rank and Yank system might not be suitable for every company or industry.

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