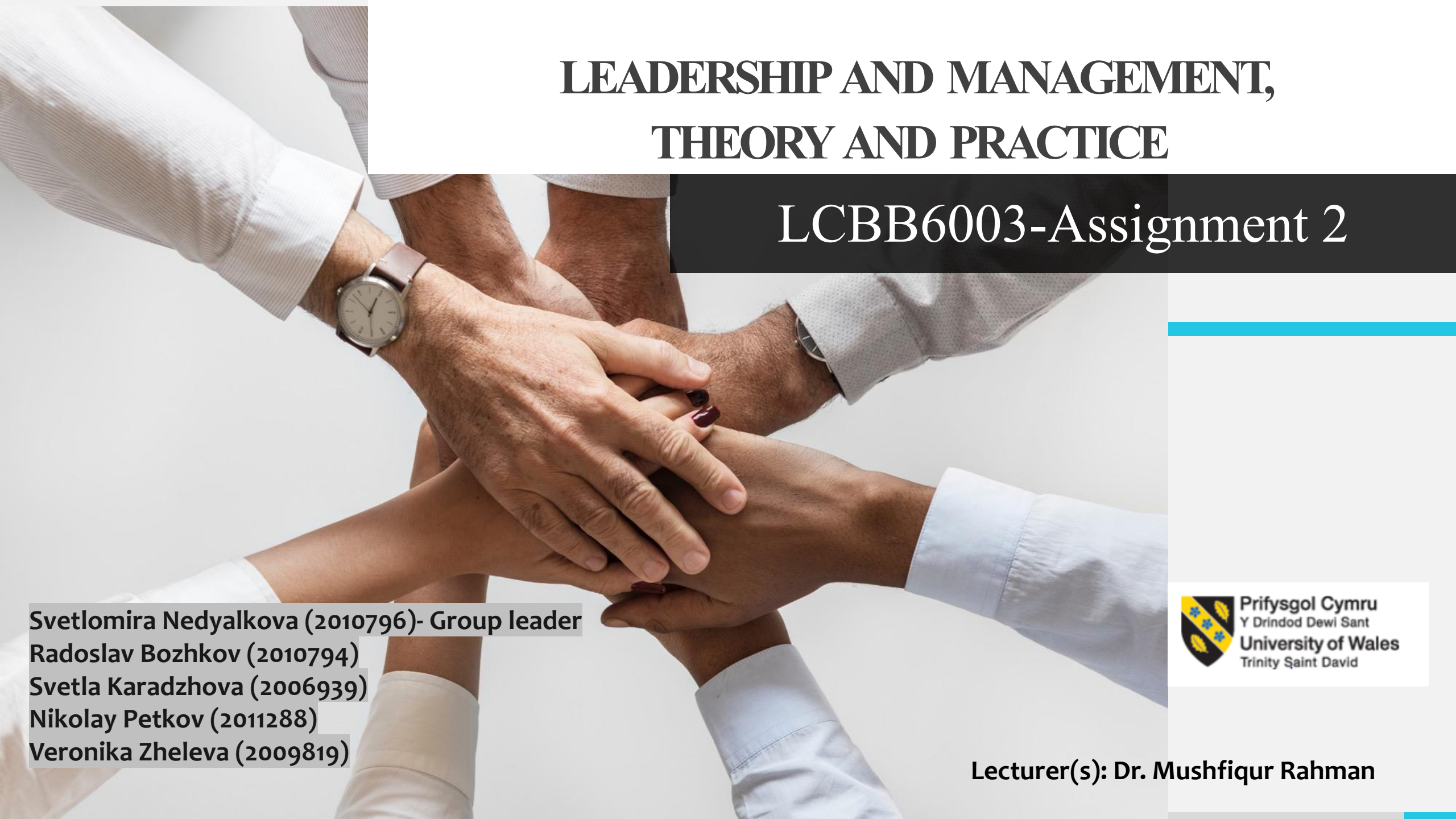




LEADERSHIP AND MANAGEMENT, THEORY AND PRACTICE

LCBB6003-Assignment 2

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By the use of several leadership theories and viewpoints, this research assesses Jack Welch's leadership abilities using the case study of General Electric. Using support from academic sources, the report critically evaluates Welch's vision, management style, approach to change and innovation, impact on financial performance, and legacy.

Introduction

General Electric and Jack Welch

From 1981 through 2001, Jack Welch, a well-known American business leader, led General Electric (GE).

Welch turned GE from a struggling conglomerate into one of the most prosperous businesses in the world during his leadership.



Figure 1: the Leadership Style of Jack Welch
(Source: SlidePlayer, 2023)



Figure 2: Jack Welch , CEO , General Electric – a Corporate Change Leader
(Source: 1000Ventures.com)

General Electric

- Welch oversaw GE's diversification into new sectors like banking, media, and healthcare as well as the company's global expansion through partnerships and strategic acquisitions (Belton, 2017).

Welch towards General Electric

Although controversial, Welch's tenure at GE was not without criticism. While some of his detractors charged him with being ruthless and excessively preoccupied with short-term financial advantages (Gupta and Dutta, 2016).

Biography of Jack Welch

Jack Welch is widely regarded as one of the most successful CEOs in modern history. He was born in Peabody, Massachusetts in 1935 and graduated from the University of Massachusetts Amherst in 1957 (Harvard Business Review, 2020).

Leadership Theories

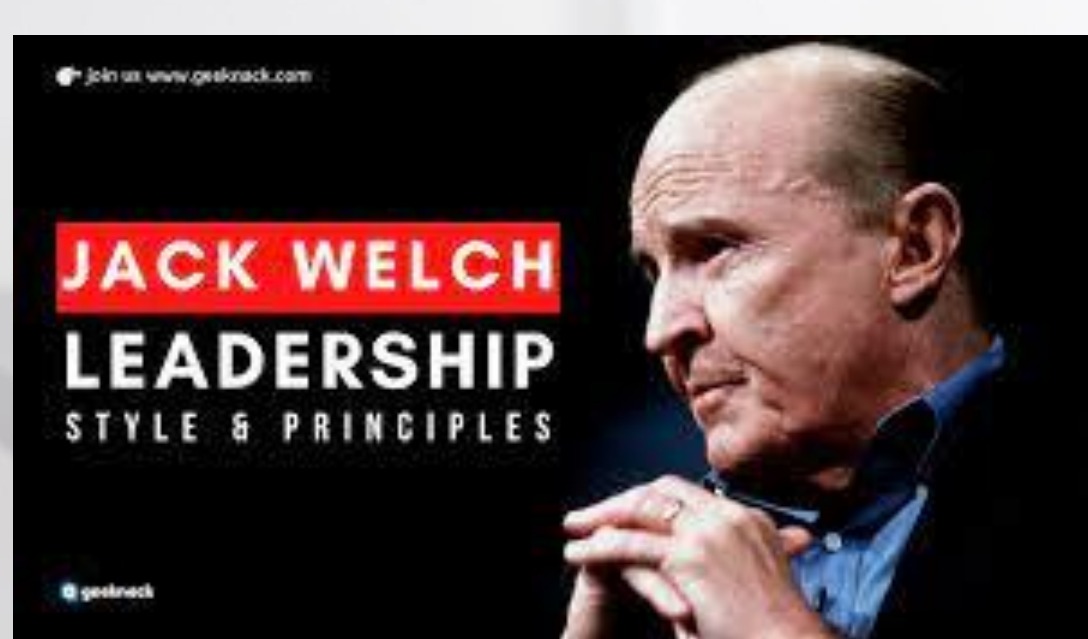


Figure 3: Jack Welch – Leadership Style and Principles,
(Source: Geeknack , 2023)

Transformational leadership theory is a process of engendering higher levels of motivation and commitment among followers. The emphasis is on generating a vision for the organization and leader's ability to appeal to higher ideas and values of followers.

Traits and choices of Welch Leadership

Svetlomira Nedyalkova (2010796)

It is crucial to assess the efficacy of Welch's leadership traits and choices through more study and analysis of leadership theories and perspectives (Rosari, 2019).



Difficulties Of General Electric Performance under Welch



Figure 4: What are the theories of Leadership, (Source: Business Jargons, 2023).

It's also critical to consider how outside variables, such as the economy and business environment, may have contributed to GE's performance under Welch (Dittmar, Sanbonmatsu and Carroll, 2018).

Frameworks for understanding the leadership theories

Frameworks for understanding and assessing the conduct of effective leaders are provided by leadership theories. These ideas offer a road map for leaders to refine their competencies and ultimately accomplish their company objectives (Waddell et al, 2019).

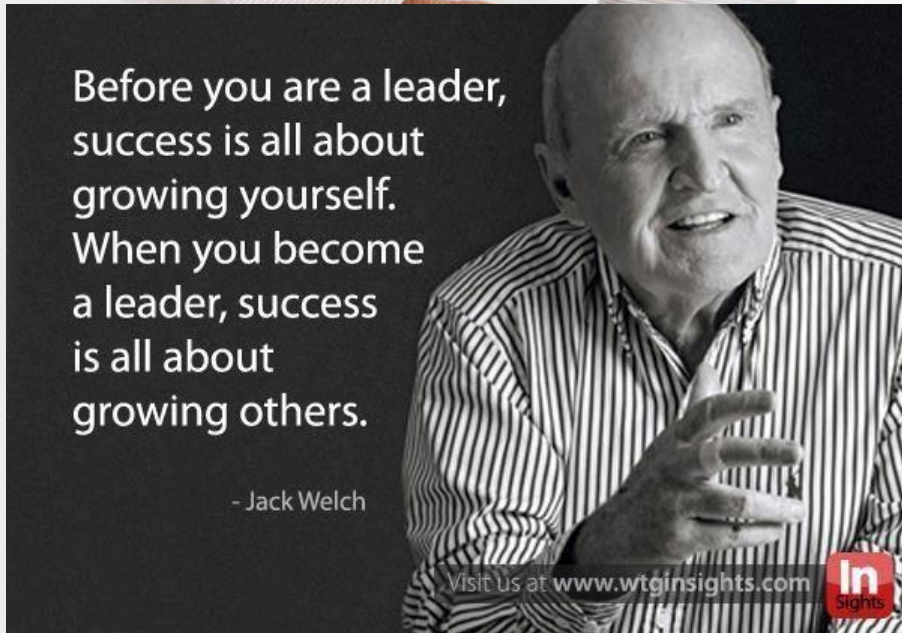


Figure 5: Jack Welch : the master of transformational leadership theory
(Source: LinkedIn, 2023)

Perspectives in the module.

The leadership module often discusses a range of viewpoints that have been established over time to explain how leaders can inspire and influence their followers to accomplish organisational goals. Trait theory, behavioural theory, contingency theory, transformational leadership, and ethical leadership are a few of the important views discussed in this subject (Daft and Marcic, 2022).

Qualities and personality of leaders

The emphasis of trait theory is on the innate qualities and personality features that set leaders apart from followers. The focus of behavioural theory is on the deeds and conduct of leaders and how they relate to their followers (Northouse, 2021).

Ethical Leadership

"Good business leaders create a vision, articulate the vision, passionately own the vision, and relentlessly drive it to completion."
- Jack Welch

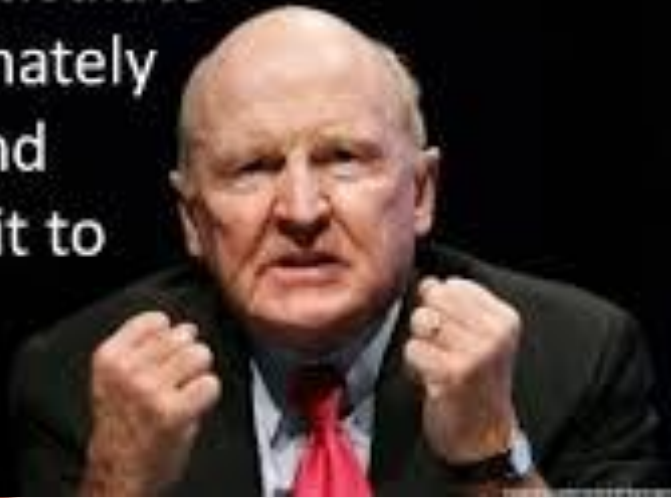


Figure 6: Jack Welch : the master of transformational leadership theory (Source: LinkedIn, 2023)

While ethical leadership highlights the value of moral behaviour and judgement in leadership, transformational leadership emphasises the leader's capacity to move and inspire followers to realise a common goal (Ojeda, 2023) .

Jack Welch Leadership Styles

Students can evaluate Jack Welch's leadership style and determine its effect on the performance of the company by applying these viewpoints to the case study of Jack Welch and General Electric (Hartnell et al, 2019).



Figure 7: Leadership Secrets from Jack Welch
(Source: SlideShare , 2023)

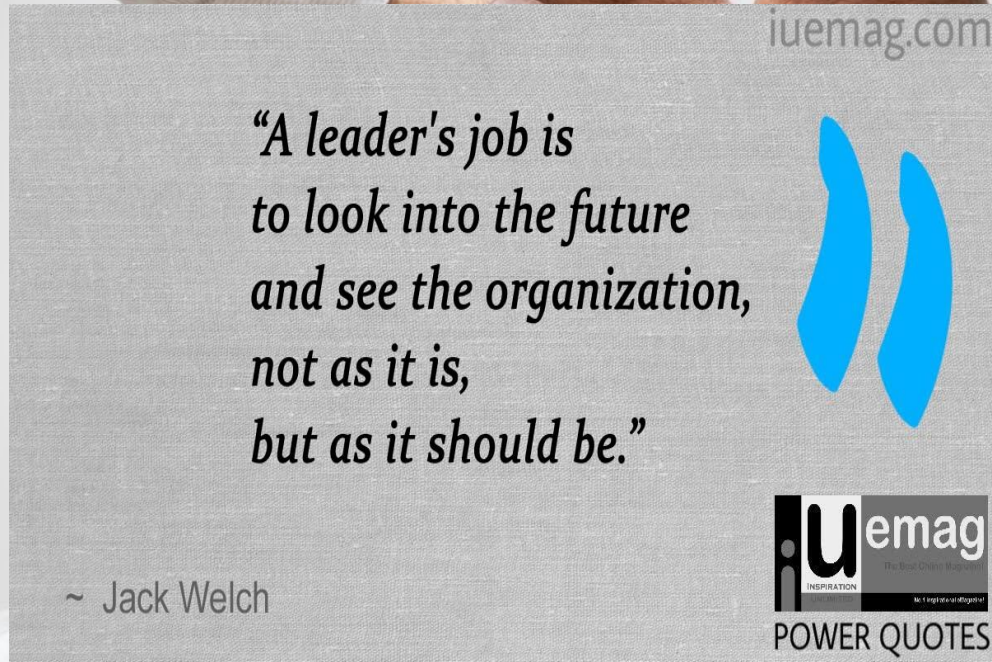


Figure 8 : 8 most influential Jack Welch Quotes for corporate Success
(Source: Inspirational Unlimited eMagazine, 2023)

Jack Welch's leadership qualities based on the case study

The constant focus on performance and accountability that was a hallmark of Jack Welch's leadership at General Electric resulted in a dramatic restructuring of the business. He was renowned for motivating his staff to reach big objectives by setting them (Leonelli, Ceci and Masciarelli, 2019) .

Improvement in GE culture by Welch

Welch made one of the biggest contributions to GE's culture by emphasising continuous improvement and pushing for Six Sigma, a data-driven approach to quality control. Also, Welch emphasised the value of free dialogue among staff members and encouraged them to voice their opinions (General Electric, 2023).

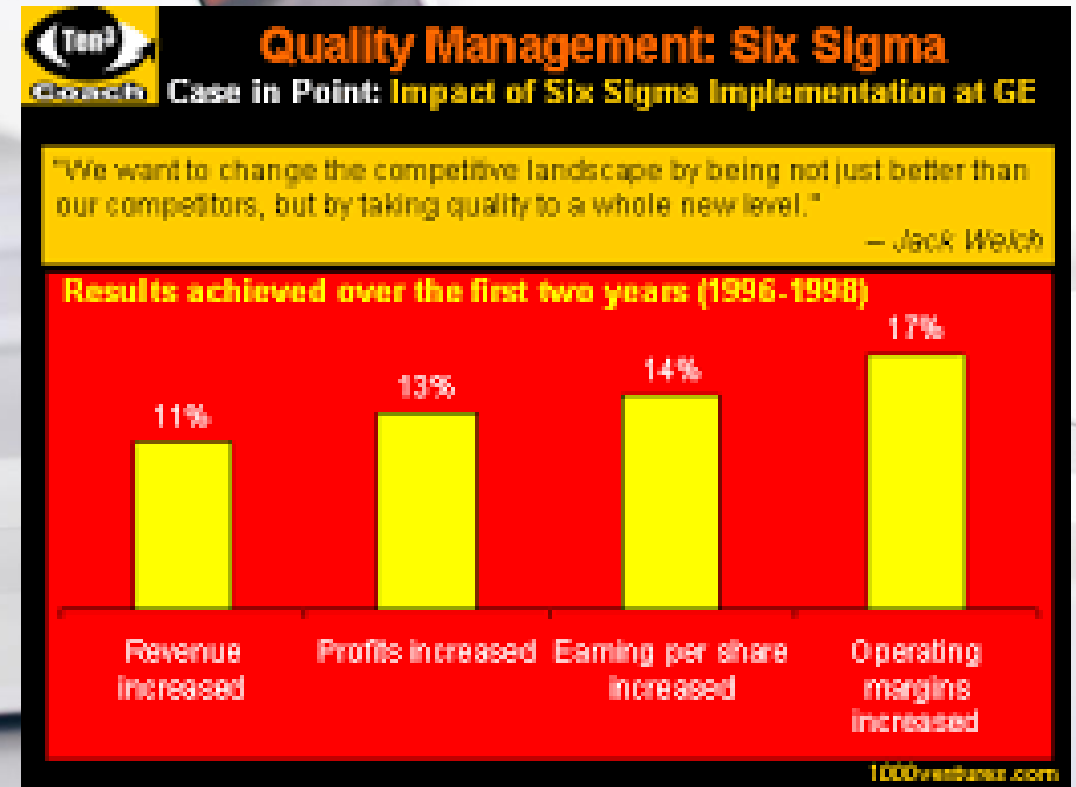


Figure 9: Six Sigma at GE (case study ,
(Source: 100vetures.com)

Crucial Aspects of Jack Welch Leadership Style

Welch's management style, nevertheless, was sometimes criticised for being overly forceful and occasionally brutal. His detractors claim that his attention to immediate financial gains resulted in a disregard for other crucial aspects including long-term sustainability and staff well-being (Amelung, Chase and Kreutzberg, 2021).

Shortcomings of GE in Welch leadership

There is no doubting the substantial influence Welch had on GE's transformation and success during his stint as CEO, despite the fact that his leadership style had several shortcomings.

GE then and now
1981- When Welch took over
Market Cap was - \$13 Billion
Revenues were - \$279 Billion
Earnings - \$1.6 Billion
Employees - 4004
Currently-1999
Market Cap - \$525 Billion
Revenues - \$111 Billion
Earnings - \$10.7 Billion
Employees - 340,000

Figure 10: Lessons on winning and Profitability from Jack Welch
(Source: Neil Patel , 2023)

Evidences

Welch's goal for GE was for the company to take the top spot in every industry in which it competed. His goal was to make GE a more entrepreneurial, quick-moving, and market-driven organisation instead of a big, bureaucratic, and slow-moving business.

Welch Management

Welch was renowned for his attitude towards innovation and change, which he considered essential to the success of the business. He promoted the "boundaryless" organisation, which placed an emphasis on cross-functional cooperation and knowledge sharing.

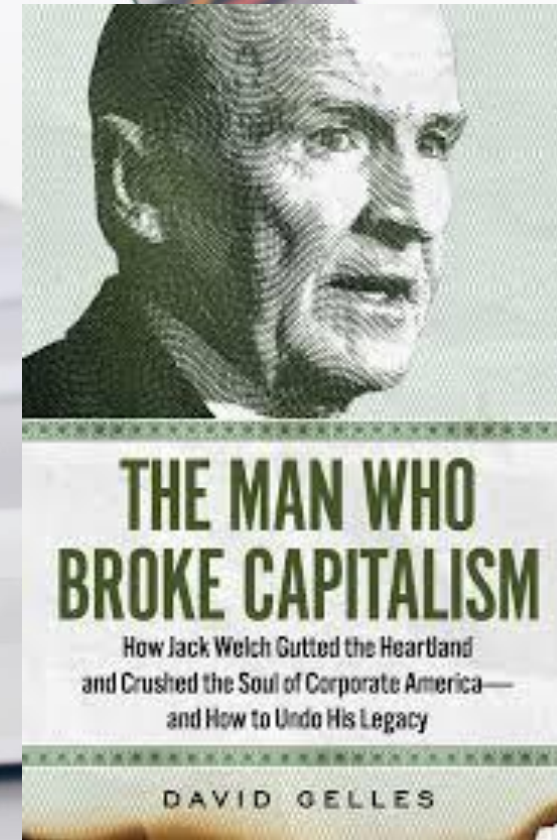


Figure 11: Short-term profits and long-term consequences — did Jack Welch break capitalism? , (Source: npr , 2023)

GE financial Success



**Figure 12: Ex –GE CEO Jack Welch : Leadership have 5 Basic traits ,
(Source: Business Insider, 2023)**

Welch's leadership, as stated in an article by Collins, had a significant impact on GE's financial success, as the company's market value increased over his tenure from \$12 billion to nearly \$400 billion (Van de Poll and Kroese, 2022).

Influence of Welch Management

Welch's management has been criticised, nevertheless, particularly for his emphasis on immediate financial results and aggressive downsizing and restructuring strategies (Jack Welch Management Institute, 2023).



Figure 13: Jack Welch , G.E. Chief Who become a business Superstar , Dies at 84 – The New York Times
(Source: The New York Times, 2023)

Conclusion

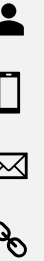
Finally, it should be noted that Jack Welch's tenure as GE's CEO was distinguished by notable successes in the areas of financial performance, corporate culture, and innovation.

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Thank You



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Leadership and management, theory and practice

Programme: BA Business Management

Module Code: CBB6003

Assignment 2- Group Presentation

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We're here to share our thoughts about Jack Welch's management of General Electric. Our team has done a lot of research on Welch's management style and how it affected the company's performance. Based on the case study and the leadership theories we have covered this semester, we will critically assess Welch's leadership abilities in this presentation. We'll start by giving a general overview of Jack Welch and General Electric while highlighting his most significant accomplishments and noteworthy moments while serving as CEO. The leadership theories and viewpoints that have influenced our study and evaluation will next be discussed. Welch's leadership abilities will then be thoroughly assessed, taking into account factors like his vision, management style, approach to change and innovation, financial performance, and legacy.

In 1981, Jack Welch was appointed CEO of General Electric (GE), a struggling business at the time. But under Welch's direction, GE rose to prominence as one of the most prosperous businesses on the planet. Welch was renowned for his strong and even contentious management approach, which included eliminating positions and failing enterprises but also putting money into and expanding those that showed potential. One of Welch's leadership qualities was his capacity to forge a compelling vision for GE and to persuade his team members of its importance. He made it plain to his staff that they needed to work hard and take risks in order to attain those goals since he was focused on fostering growth and innovation.

In addition to pushing his executives to take on new challenges and responsibilities, he was noted for establishing a strict talent management system that identified and nurtured high-potential personnel. This contributed to building a solid leadership pipeline, which was essential to GE's success.

Welch was renowned for his strong management style, but he also placed a high value on openness and communication with his staff. All levels of the organization's personnel were invited to frequent meetings where he would respond to queries and resolve problems. Employee confidence and trust were increased as a result, and Welch was able to stay informed about events at GE.

Overall, during his time as CEO, Jack Welch's management style and leadership style helped General Electric become a prosperous and diversified multinational organisation. But, Welch's leadership has also come under fire, particularly for his concentration on shareholder value and his ruthless cost-cutting strategies.

It is crucial to assess the efficacy of Welch's leadership traits and choices through more study and analysis of leadership theories and perspectives. This involves taking into account how his leadership will affect GE's staff, clients, and other stakeholders in addition to the long-term viability of his ideas.

It's also critical to consider how outside variables, such as the economy and business environment, may have contributed to GE's performance under Welch. Welch's leadership can be examined holistically to better understand its strengths and shortcomings as well as the effects it had on GE as a whole.

Svetlomira Nedyalkova (2010796)

Transformational leadership theory is a process of engendering higher levels of motivation and commitment among followers. The emphasis is on generating a vision for the organization and leader's ability to appeal to higher ideas and values of followers.

Overall, it is undeniable that Welch's leadership style, while debatable in some ways, was very successful in making GE one of the most successful organisations in the world. His emphasis on innovation, customer satisfaction, and ongoing improvement contributed to the development of GE's long-lasting culture of excellence.

The transformational leadership theory is another well-known method that can be used to evaluate Jack Welch's leadership style in addition to the situational leadership theory. According to the philosophy of transformational leadership, effective leaders inspire and encourage their subordinates to work towards a common objective. These leaders attempt to instil a feeling of mission and purpose in their followers and motivate them to put the interests of the organisation ahead of their own.

Additionally, there are other instances in which Jack Welch's leadership style fits the transformational leadership philosophy. Welch was renowned for his capacity to articulate a clear vision for GE, motivate his staff to put in long hours, and foster a high-performance culture. He was also renowned for his readiness to take chances and make courageous choices.

In addition, he was renowned for his readiness to take chances and make daring choices that helped GE experience substantial development and success.

The complexity of leadership cannot be fully captured by a single leadership theory, and there are drawbacks to utilising a theory-based approach to study leadership. Successful leadership is influenced by a variety of variables, such as the leader's personal traits, the organisational environment, and the particular issues the organisation is now experiencing. As a result, it's crucial to analyse leadership holistically and take into account a variety of viewpoints and views.

As we've talked about, this module has looked at leadership from a variety of angles. They include transformational leadership, servant leadership, authentic leadership, contingency theory, trait theory, behavioural theory, and others. Characteristics like intelligence, ethics, and social skills are among those that make a leader effective, according to trait theory. The efficacy of a leader is examined through the lens of behavioural theory by looking at their activities and behaviours. According to the contingency hypothesis, there is no one leadership style that is always effective; instead, a leader must modify their approach depending on the circumstance. While servant leadership highlights the value of helping others and putting their needs first, transformational leadership focuses on encouraging and motivating followers to realise their greatest potential. Lastly, self-awareness, honesty, and moral conduct are key components of true leadership.

Radoslav Bozhkov (2010794)

Which of these perspectives Jack Welch's leadership style most closely resembles should be taken into account as you write your presentation about his management style. His leadership style might be distinctive and not cleanly fit into any one perspective, or it might have characteristics from other approaches. Regardless of the lens you use to assess Welch's leadership, it's critical to back up your assertions with facts. The case study we gave, as well as academic literature from journals, books, and organisational records, can all serve as sources for this proof. To show the breadth of your study, don't forget to incorporate in-text citations and a reference list in the Harvard referencing style. Overall, you are able to offer a complete and well-informed assessment of Jack Welch's leadership at General Electric by taking into account the many viewpoints on leadership and utilising facts to back up your assertions. The background of Jack Welch's leadership at General Electric should be taken into account in addition to the leadership theories and views discussed in this module.

Due to the rapid growth of technology and the globalisation of the economy in the 1980s and 1990s, the business environment was extremely competitive. These outside influences influenced Welch's leadership style, and he emphasised the necessity for speed, agility, and creativity in order to stay one step ahead of the competition.

Welch's own character and leadership style should be taken into account as a crucial contextual component. He had a reputation for being fiercely ambitious, competitive, and results-oriented. As a result, GE developed a culture of strong performance pressure where staff members were expected to continuously strive for improvement and hit lofty goals. Although this strategy significantly increased GE's performance and profitability, it also had certain drawbacks, including a high-stress workplace and the need to lay off workers in less successful businesses.

Regardless of the perspective you use to assess Welch's leadership, it's critical to back up your assertions with facts. The case study we gave, as well as academic literature from journals, books, and organisational records, can all serve as sources for this proof. To show the breadth of your study, don't forget to incorporate in-text citations and a reference list in the Harvard referencing style. Overall, you are able to offer a complete and well-informed assessment of Jack Welch's leadership at General Electric by taking into account the many viewpoints on leadership and utilising facts to back up your assertions.

Let's critically assess Jack Welch's leadership abilities in light of the case study and our research now that we have covered the leadership theories and viewpoints pertinent to Jack Welch and General Electric.

Visionary Leadership:

One of Jack Welch's assets was his capacity to present a crystal-clear vision for GE and motivate staff to work towards it. He promoted a plan that involved concentrating on industries in which GE could be the leader or runner-up and selling off non-core assets. This vision, along with his vivacious and magnetic personality, enabled GE to post great financial results and establish itself as a leader in its fields.

Veronika Zheleva (2009819)

Transformational Leadership: Jack Welch's ability to restructure GE's culture and performance through a number of programmes like Work-Out, Six Sigma, and Crotonville was another strength of his leadership. These initiatives gave workers the tools they needed to recognise issues, find solutions, boost effectiveness and quality, and advance their careers. To spur change and creativity at GE, Welch had to be willing to take chances and challenge the established quo.

Regarding the potential drawbacks of Welch's transformational leadership approach, some criticisms have been made. Some analysts contend that the emphasis on short-term financial goals and cost-cutting may have resulted in the disregard of long-term investments and innovation. They claim that Work-Out and Six Sigma produced a culture of fear and micromanagement.

Ethical Leadership: Welch's leadership has been criticised in several areas, including his ethical behaviour. For instance, claims of environmental contamination, unfair commercial tactics, and false financial reporting were made against GE during his leadership. According to some detractors, Welch put money ahead of morality, and his emphasis on performance evaluations may have encouraged unethical behaviour.

Together with the aforementioned, Jack Welch was renowned for his inventive and calculated approach to business. Under his direction, GE underwent a significant transition and became into one of the most prosperous businesses in the world. He concentrated on streamlining processes, decreasing costs, and selling off unproductive companies. He was known as "Neutron Jack" for this strategy since it allowed him to remove the people while preserving the buildings.

His emphasis on quick wins and how he treats staff members are among the complaints levelled against his leadership style. Welch was renowned for his laser-like emphasis on achieving quarterly goals and increasing shareholder profit, even at the price of long-term growth and employee wellbeing. His "rank and yank" approach, which entailed evaluating staff and firing the bottom 10% each year, was also condemned. Some claim that this strategy produced a culture of fear and rivalry that was unsuitable for long-term success.

In conclusion, Jack Welch's leadership at GE was distinguished by creative, transformative, and occasionally contentious traits. Although it is impossible to dispute his accomplishments in terms of financial success and cultural transformation, it is crucial to take into account any potential negative effects of his leadership style, such as those on staff morale, innovation, and ethical standards. In the end, one's perspective and success standards will determine how Welch's leadership is rated

Svetla Karadzhova (2006939)

Welch will be the subject of our critical assessment of his leadership abilities, which will be based on the case study and our own research into the subject. You may already be aware that Welch was renowned for his bold leadership at GE, where he strove to make the business the finest in the world. The "Number One or Number Two" approach, which required GE to be the market leader or the second-best in every field it entered, helped him achieve this. Welch was recognised for his strong and aggressive management style since he believed in pushing his staff to reach their utmost potential. He was also renowned for the way he handled change and innovation, inspiring his staff to continually look for ways to enhance GE's offerings. Welch's influence on the business's financial success was one of his leadership's most important characteristics. GE's revenues surged from \$25 billion to over \$130 billion during his leadership, while the company's market valuation rose from \$12 billion to more than \$400 billion.

Welch's management, though, has also drawn criticism. Some claim that his tough management style produced a poisonous workplace and contributed to staff fatigue. Some people have criticised his fixation on quick financial profits and his disregard for social responsibility. We believe that Welch's leadership at GE was generally effective and successful based on our study and judgement. Although he may have had a strict management style, it pushed the business to reach its objectives and establish itself as a market leader in a number of industries. We are aware of his leadership flaws, too, and the necessity of striking a balance between monetary achievement and social duty.

We conclude by urging more investigation into the long-term implications of Welch's leadership at GE, particularly those on worker satisfaction and corporate social responsibility programmes. We appreciate your time and welcome any comments or questions you may have. Even though Welch received praise for his financial performance, some contend that his attention to short-term profits came at the expense of long-term investments in R&D, which may have hampered GE's capacity for innovation in the long run. Moreover, Welch's managerial style has come under fire for being perceived as being overly aggressive and ruthless, creating a high-stress, competitive workplace that may have had a severe effect on staff morale and wellbeing.

It is difficult to dispute Welch's substantial influence on GE and the business world as a whole, notwithstanding these critiques. Under his direction, GE developed into a very successful and significant business, and Welch gained a great deal of respect in the corporate world. In the end, the assessment of Welch's leadership must take into account both his accomplishments and shortcomings, as well as the larger context of the sector and age in which he operated. It's also critical to take into account the environment in which Welch operated. During his tenure, the corporate environment was marked by escalating international competitiveness and quick technology breakthroughs. Welch's leadership abilities are demonstrated by his ability to survive.

Based on the case study of General Electric, our presentation offered a critical assessment of Jack Welch's leadership abilities. By our analysis, we were able to pinpoint Welch's leadership's advantages and disadvantages, including his strategic vision for GE, managerial

style, attitude towards innovation and change, and effect on the company's financial performance.

