GE Case Study

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1. Before Jack Welch took over in 1981, GE was headed by Reg Jones who was called as “Management Legend” by Fortune Magazine and GE was a Healthy Corporation and was one of the most admired companies in the US had $2.2 billion in Cash and securities. However, there was a need to seize new technologies along with the burden of bureaucracy and the disproportionate investment of managers time in internal issues. So Jones wanted a change maker to succeed him.

2. There was a need of simplifying in analyzing the business situations for streamlining the collection of information and highlighted areas of concern. Both, “best practices” and “work-out” were considerable successful innovation with quantifiable benefits. Welch, went to every business in the company, put in a process of what to focus on and changed the way work got done in a company. He redefined the relationships between the boss and subordinate.

3. The Work Out practice sessions featured a great deal of complaining about working conditions and problem-solving dealt with “low-hanging fruit”. Also, there was a resistance within the ranks of middle management. The culture changed that was brought in, would require several years to be considered a complete one and until that happens there may be a temptation to resist this change.

4. Jack Welch used external standards and compared financial data with other organizations to review the overall organizational performance of GE.

5. I believe, by making available this case study which addresses GE’s business practice and strategic thinking since the beginning of this organization for general public’s learning purpose is an example of exercising good citizenship.

6. Boundarylessness – Breaking the barriers and enabling employees to do their jobs more efficiently by integrating all business sectors into one. The rule of Stretch – Encouraging employees to think beyond their goals. The remarkable strategy of linking the profits directly with employees’ performance was a significant lesson to be learnt. Apart from success there was a lesson to be learnt from their failures of wrong way of executing strategy when dealt with adversity.