

A Tribute to Jack Welch: Manager of the Century

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ABSTRACT

Jack Welch was the CEO of General Electric (GE) from 1981 – 2001, when the company expanded significantly, its worth grew multifold, he was named - Manager of the Century by the Fortune magazine. The company saw increased market value from around \$14 billion to \$410 billion odd under his stewardship. This essay tries to highlight the importance of his leadership skills and his business decisions that shaped the course for the company. He has been an icon for future managers, he died in 2020.

Keywords-- Jack Welch, GE, Leadership, Six Sigma

I. INTRODUCTION

Management is an art, and leadership takes it the new level, hence a company leadership can redefine the industry and business landscape. Jack Welch was a noted manager, his efforts and steps were highly motivating. An efficient manager shapes the outcomes with vision and policy. GE was a beacon of opportunity and prosperity when he left office. His writings also tell about his leadership skills and management expertise.



<https://www.tamuc.edu/> describes Jack Welch in Chickfil Leader cast as: *Jack Welch is the author of Winning, a #1 Wall Street Journal and international bestseller. In 2001, he wrote his #1 New York Times and also international bestselling autobiography, Jack: Straight from the Gut. Since 2005, Jack and his wife Suzy Welch have written business columns for several publications, including Business Week magazine, Thomson Reuters digital platforms, Fortune magazine, and the New York Times syndicate. The Welches have also launched the Jack Welch Management Institute at Strayer University; a unique online MBA and certificate program aimed at giving students around the world and at every career level the tools to transform their lives and the organizations of the*

future. Jack is the head of Jack Welch, LLC, where he serves as Senior Advisor with the private equity firm Clayton, Dubilier & Rice and is an advisor to IAC (Interactive Corp). He speaks to business audiences and students around the world. Born in Salem, Massachusetts, Jack received his undergraduate degree from the University of Massachusetts and an MS and PhD in chemical engineering from the University of Illinois. He began his career with the General Electric Company in 1960, and in 1981 became the Company's 8th Chairman & CEO. During his 20+ year tenure as CEO, the company's market capitalization rose from \$13 billion to \$400 billion. In 2000, he was named "Manager of the Century" by Fortune magazine

CEO is a key post for corporate governance and operations, he/she is an overall leader and key torch bearer of the conglomerate, a CEO envisages plans and direction to the whole company. CEO gives key vision and practical shape to the company objectives. Jack Welch was an outstanding CEO. Jack Welch inspired many to dream big, he was principled and focused for growth; the www.cnbc.com says ...*"Jack Welch is a celebrated, legendary CEO. In his two decades at the helm of General Electric, he grew revenues to \$130 billion from \$25 billion and profit to \$15 billion from \$1.5 billion. Market capitalization ballooned to \$400 billion, growing by a multiple of 30."*

Performance appraisal is the key for successful governance of firms and enterprise; employees are the cornerstone of the profit earned and service rendered. Hence successful appraisal gives us clear line of direction and vision to the company. www.cnbc.com (Marty Steinberg) wrote that: *"He invented the "vitality curve," in which managers were ranked into three groups. The top 20% "A" group was "filled with passion, committed to making things happen." The "vital" 70% "B" group was essential to the company and encouraged to join the A's. Then there was the bottom 10% "C" group."*

Productivity and qualitative improvement gives high sales volume and better product outcome. Some measures to enforce quality and efficiency are necessary to drive growth and rise of an enterprise. www.investopedia.com says, *"In adopting Motorola's Six Sigma program for increasing productivity in manufacturing industries and other management changes, Welch illustrated that the key to excelling in an industry relied on the value of the people working for that*

company, but he had little patience with lackluster performance."

Leadership inspires change and progress, GE grew exponentially under Jack Welch, he wrote some of the leadership principles and rules in his classic 2009 book *Winning*. As per - *Winning* some of them are as following as published in www.inc.com/ are:

1. Leaders relentlessly upgrade their team, using every encounter as an opportunity to evaluate, coach, and build self-confidence.
2. Leaders make sure people not only see the vision, but they also live and breathe it.
3. Leaders get into everyone's skin, exuding positive energy and optimism.
4. Leaders establish trust with candor, transparency, and credit.
5. Leaders have the courage to make unpopular decisions and gut calls.
6. Leaders probe and push with a curiosity that borders on skepticism, making sure their questions are answered with action.
7. Leaders inspire risk taking and learning by setting the example.
8. Leaders celebrate.

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