

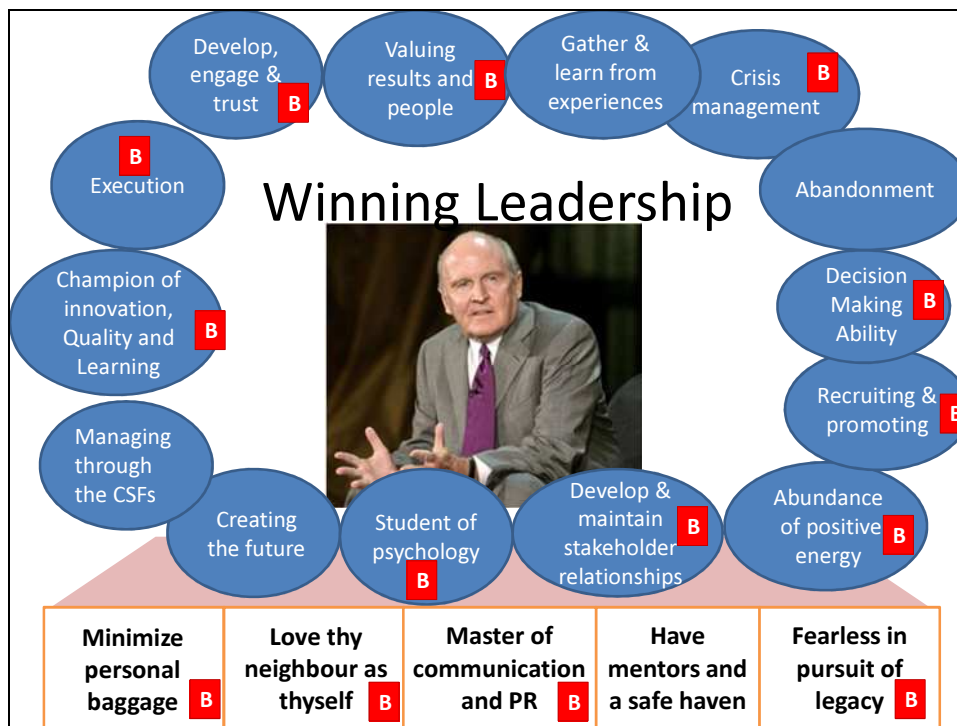
Jack Welch – Leadership in the 21st century

(extract from “Winning Leadership - a guide to the top”.
Whitepaper available from www.davidparmenter.com)

By David Parmenter

Where do you start to analyse the leadership traits of Jack Welch. The CEO who took General Electric (GE) from being worth \$10billion to \$500 billion... He has been successful on many levels, as a master of maintaining profitability, as a nurturer of talent as well as a writer and speaker. Forbes magazine crowned him the best business leader of the 20th century. Many GE shareholders looked back with a smile and thanked their lucky stars that they had invested in GE.

I would like to explore Welch’s achievements through a model of winning leadership. This model looks at leadership from two perspectives. What foundations stones need to be in place in order to lead? As Jack Welch would say these are the ‘tickets to the game’. Secondly, what are the traits that a leader needs to master in order to be as effective as Jack Welch clearly was?



This article attempts to pull together much that has been already written about Jack Welch, his own views from many recorded Welch interviews and his masterpiece book “Winning” co-authored by Suzy Welch¹

Welch's Five Foundation Stones

Minimise personal baggage

Reading Jack Welch's book it is clear that he is aware of his failings and has done his utmost to overcome them. Peter Drucker, who observed Jack Welch, commented on Welch's ability to actively listen. Whilst I am unaware of what personal development work Welch has undertaken one can assume he has learnt much from the leadership and management training he received at General Electric's Crotonville training school. In addition Welch has spoken for thousands of hours at the training school and thus would be more aware than most CEOs of the damage personal baggage can bring to a career.

Love thy neighbour as thyself

Whilst Mr Welch was one of the highest paid CEO's in the last two decades and was responsible for shutting down many underperforming GE units, he did exude many traits that indicate he had a love for the common man. You can see by his answers to the many Q&A sessions that have been documented you tube. that caring for the fellow staff member does not mean that you should hide behind reality.

Jack Welch was one of the first CEOs to talk about "candour", meaning being honest and up front with underperforming staff. He said it is a leader's obligation to tell their staff how they are doing and how they can improve performance in a candid way. what they can improve in a candid way. As Welch points out candour has many benefits:

- It allows more people to participate in the conversation
- It generates enerates speed
- It cuts costs
- It encourages underperformers to reflect on their achievements and move forward so they are able to perform to their greatest potential.toOne has to realise that under performing staff members may well be in the wrong place at the wrong time and thus encouraging them to follow their passion, to find the job in which they will excel, in is the kindest thing you can do for them. As a good friend and writer, Bruce Holland says "there is a golden Buddha in all of us".

In this section I also put 'hostmanship', humility and of course integrity. From my research Welch displayed these attributes on a frequent basis. Jan Gunnarssonⁱⁱ says that *hostmanship* is the way we make people feel welcome.

Comment has been made about the excessive remuneration Jack Welch received as CEO, 1400 times the average skilled worker and over 20 times more than the CEO of Toyota, who had managed an organization with the same complexity and with similar success. Whilst this may show a weakness in this foundation stone it has been more than compensated by Welch's drive to assist with the ongoing development of leadership excellence through his articles, interviews, speaking and writing.

Master of communications and PR

Is there a better master of these two?, I do not think so. For anybody lucky enough to attend a Jack Welch presentation will surely witness one of the best management communicators in the world. His secret is in the no "Bull shit" approach. In his book 'Winning' he has the ability time and again to hit the nail on the head. As a writer myself I can recognise a master communicator and Jack is certainly one of them.

He has developed phases and stories, over the years, that sum up, perfectly what he wants to get across. There will be hundreds of his “one-liners” that will outlive Welch. Here is a sample of his quotes:

“Get better or get beaten”

“If you are big enough you can go to bat often, take a swing and miss a few and still be in the game”

“Emotional maturity, integrity and intelligence are tickets to the game”

“Never buy a company with a culture that does not match yours”

“Don’t run for office as you are already elected”

“Use every brain in the game”

“Ponder less and do more”

“Work is too much a part of life not to recognise moments of achievements”

“Use every encounter with your staff as an opportunity to evaluate, coach and build confidence”

Using mentors and having a safe haven

Welch has had many mentors along his journey. It is the general Electric way. He even was lucky enough to have private audiences with Peter Drucker, one of the clearest management thinkers.

As Welch says “There is no right mentor for you there are many right mentors”. He sees mentoring more holistically. A mentor can come from a staff person many layers below who passes on their knowledge. Jack in his book “winning” was for ever grateful for the young HR advisors who patiently helped him master email.

Great leaders need a safe haven where they can escape and relax. For Jack Welch, during his GE days, this was golf. He was very good at it. In fact on one occasion reputedly beating the pro he was playing with, Greg Norman. For others it may be family life (albeit the investment in time required to do it properly may impact the ability to lead), a hobby, or a separate parallel career. Peter Drucker talked about a CEO who was also a skilled Egyptologist.

Being fearless in your pursuit of your legacy

Welch made numerous brave calls when streamlining the GE juggernaut. He got rid of businesses that were held dear to the name GE. Welch, however, could see they were cash cows where the milk was drying up fast.

Welch’s legacy has been on many levels, all the now successful CEOs, in many of the top 500 American companies, who worked underneath him, the thousands of managers who were exposed to his teaching at the GE school, the many readers and attendees of his lecture tours who have had their leadership horizons expanded.

It is interesting to note that Welch down plays the role of legacy in his book, I believe, as part of his modesty on his achievements.

As you can see Welch had a sound set of foundation stones. Now let us see why he managed the areas of focus for a winning leader so well.

Areas of Focus for a Winning Leader

1 Crisis management

All great leaders are great in a crisis and Welch is no exception. Welch had a large realism streak in his body. He would take the necessary action, face the necessary music and move on. Jack Welch handled each crisis on the following assumptions:

- The crisis will be worse than it first appears
- The bad news will come out sometime so may as well face the music now
- The situation will be portrayed in the worst possible light by 'the press'
- There will be carnage
- The organisation will survive.

1.1 *Be flexible in tactics*

Welch knew that you needed to be flexible with tactics. Once a decision was made to either invest or divest, and the manager in charge was trusted to get on with it, they were given the flexibility to deal with events as they saw fit.

1.2 *Maintaining a sense of humour*

As Tom Peters says about bad times, "I can say with conviction and confidence that this is when it gets fun for talented and imaginative leaders."ⁱⁱⁱ From the writings and recorded speeches on YouTube, Welch's humour is very evident.

2 Abandonment (Letting go of the past)

Peter Drucker, the management guru, frequently used the word "abandonment". He said that "the first step in a growth policy is not to decide where and how to grow. It is to decide what to abandon. In order to grow, a business must have a systematic policy to get rid of the outgrown, the obsolete, and the unproductive."

Jack Welch had been exposed to Peter Drucker's thinking for some time through Crotonville and one-to-one sessions with Drucker. Welch knew when to cut the losses, admit when he had made an error of judgement, and move on. In his writings you will find countless mistakes that Welch freely admits to like the "waterless" washing machine project.

Welch was aware that many of GE investments did not make sense. The answer would have been "No" to the Drucker question, "If you were not in the business would you enter it now?". He thus was known as ruthless with his view of either 'fix it, sell it or close it' when a business did not meet the strict criteria of being either number one or two in that particular sector.

2.1 *Changing the rules*

Jack Welch was constantly challenging the status quo. Like all great leaders Welch would change the rules, if necessary. The old businesses of GE were sold because they no longer had the competitive advantages of old. Rather than compete in a highly priced sensitive market, Welch made the bold decision to get out of those businesses e.g. . housewares division., .

Welch challenged bureaucracy all his life, he love speed and made GE a collection of companies that thought like a small nimble company.

2.2 Firing Staff

Jack Welch has a 20/70/10 “differentiation” rule. With your top 20% of performers promote them into jobs which are a good fit for their strengths, assist the next 70% to better meet their potential, and make it clear to the bottom 10% that their future lies elsewhere. Good communication will see these staff moving on to better pastures for themselves, failing that they must be fired.

As Peter Drucker said “It is the duty of the executive to remove ruthlessly anyone—and especially the managers, who consistently fails to perform with high distinction”.

3 Decision Making Ability – having the “edge” the ability to say ‘Yes or No’ (one of Welch’s 4 Es)

Jack Welch frequently made the unpopular decisions and the hard calls where not all the information was at hand. Welch says that leaders have to rely on their gut instinct when information is not available. They have to realize they have been appointed to the position because of their experience and their history of making more right decisions than incorrect decisions.

In the decision making process great leaders have the “curiosity that borders on skepticism” making sure all the stones have been over turned, as Jack Welch would say.

Getting an idea pass by Jack Welch was a baptism of fire. He would try and pull it down from all directions and once the team showed they understood all the issues and could answer all the concerns, Welch then gave the thumbs up and was the keenest supporter.

4 Recruiting and promoting

4.1 Recruit Carefully

Jack Welch embedded a culture of careful selection. GE became expert at selecting quality candidates from the army and lesser known colleges and universities. GE did not subscribe to the theory that the best candidates were in the Ivy League business schools. He was looking at the attributes the individual would bring to the organization rather than the circumstances that attributed to giving the applicant the Ivy school opportunity.

Welch saw recruiting or promotion activity as one of the most important things you ever do. He said that it was important to get “into the candidates skin to find out what they were really made of, to find out if they had a passion for the business, and what their values really were. It was imperative that the candidate’s values were in line with GE values.

Welch took great care in the selection of his successor out of the great wealth of talent who had put their hat in the ring.

4.2 Promotion

Jack Welch, sees recruiting and promoting people who are more skilled than yourself as a positive thing. Jack Welch calls it laying the “golden egg”. He was very careful recruiting of all his direct reports.

4.3 Nurture Protégés

When Welch was leaving GE, the organisation had an embarrassing wealth of talent to choose from, thanks to Welch's commitment to nurturing his successor. The six possible candidates, who did not get selected, went on to become part of the GE alumni and are CEOs running successful organisations.

Peter Drucker went on to say that it was a leaders job to ensure that there was an able pool of leaders to choose from (at least three) to take over your position when you move on. In other words, it is a sign of failure when an organisation needs to seek a leader from outside. If one looks at Toyota and GE, two of the best run organizations in the world, you will be hard pressed to find a time, in their history, when the CEO came from outside.

4.4 Creating a band of brothers

The aim of any leader is to create a band of brothers feeling within the organization. This can only be done by the creation of an inclusive oneness in a team that has a shared goal and vision. The sign that you have achieved this goal is when team members know intuitively the correct action to take, requiring little guidance but much trust.

The concept of a band of brothers was first in the public domain with the great bard, William Shakespeare in the stirring speech Henry V gives on the night before the battle of Agincourt.

“And Crispin Crispian shall ne'er go by, from this day to the ending of the world,

*But we in it shall be remembered - We few, we happy few, **we band of brothers.** For he to-day that sheds his blood with me shall be my brother.”*

The impact of the “band of brothers” created by Jack Welch will be one of his major legacies. There are a number of highly trained GE staff who are now CEOs running top 500 organizations including:

- Warren Jensen CFO Amazon, COO Silver Springs Network
- James Mc Nerney CEO at 3M and now Boeing
- Matt Espe CEO at IKON Office Solutions
- Robert Nardelli – CEO at Home Depot, Chrysler
- Larry Johnston – CEO at Albertsons
- David Cote – CEO at Honeywell

Another indication of the strength of the band of brothers is an active alumni. Great companies like GE and Toyota have very active alumni and have their own section in some of the leading networking software. Past staff are often meeting each other as friends and whilst reminiscing over old times, meet to help and do business with each other as they have the same values and drive.

Some foundation stones and focus areas impact on the significance of the band of brother's. These are marked by a B in a box.

5 An abundance of positive energy (one of Welch's 4 Es)

As Jack Welch says it is important that a leader “has positive energy, the capacity to go-go-go with healthy vigour and an upbeat attitude through good times and bad”.

5.1 Never give up – be highly competitive

There must be many a friend who has witnessed Jack Welch's competitive streak. He is the type of golfer who would chip in from the bushes to "halve a hole" that the opposition had already counted as won. Welch was a 'never say die' leader.

5.2 Many celebrations

Jack Welch says great leaders celebrate more. As he points out "work is too much a part of life not to recognise moments of achievement". You can sense from listening to Jack Welch that his celebrations would have been fun to attend.

Welch was all about making business fun. Realising that it is not life or death but a game you want to win.

5.3 Young at heart

Jack has always known the value of being young at heart he is often quoted as saying to CEOs "your overriding goal right now must be to help your company grow up and still stay young at heart".

5.4 An abundance of passion

In his book "Buddha hunters" Bruce Holland points out that in all of us is a passion for something. The key for leaders is to ensure that you are in a business sector that you are passionate about. Jack Welch, throughout his life, has always exuded passion from all his pores. He has been the very antithesis of a passionate leader. It is interesting to note that he always looked during the interview process for passionate people.

6 Develop and maintain relationships with stakeholders

6.1 Key Decision Makers and Stakeholders

Right from his days at university Welch knew what side the bread was buttered. He created lasting friendships with his professors. At GE, Welch was both a maverick and a company man. He could manage this by the close relationships he maintained with the key decision makers.

Welch managed the relationship with the shareholders brilliantly. It was more than just results; it was the rapport he was able to establish with them. They would have invested in a tourist 'moon' shuttle had he proposed one.

7 Student of Psychology

7.1 Let psychology be your friend

Jack Welch has a natural affinity with psychology. Throughout his leadership roles he has been able to motivate teams to achieve extraordinary results. For a long time he recognized that besides financial rewards, other motivating factors that leaders can use to enhance motivation are:

- Enjoyable co-workers (leaders who take great care in recruiting can ensure a good team mix)
- Interesting work that challenges and helps them grow
- Recognition, plenty of it (it is free)

- Celebrations, again plenty of them, as Welch says “work is too much a part of life not to recognise moments of achievements”
- A shared goal (this requires great communication and selling)

7.2 Minimising emotional damage

Great leaders are able to manage their emotions and avoid emotional outbursts that could damage relationships with their staff. I do not know to what extent Welch had mastered this important trait. However, I do know, he was acutely aware of the emotional damage that can be caused by a botched take-over and merger.

He understood that a merger is never a merger of equals, that in the ‘deal heat’ it is easy to pay too much and become embroiled in a “reverse hostage” situation where management of the acquired company start negotiating and receiving packages that will only go sour in the end. He saw a take-over or merger as a “talent grab” and saw to it that GE would embrace the new staff so that they would fully use “every brain in the game”.

7.3 Nurturing new business

Jack Welch understood that new ventures needed to be managed differently. He always had new business ventures reporting at least two levels up the chain and, wherever possible, report directly to him. They were given the freedom and support to develop their business. The GE model clearly worked as there were many successful ventures.

8 Creating the future

8.1 Seeing opportunities - Looking for Blue Oceans

Jack Welch spent much time looking into the future. He was early on involved with the rise of India and China. Opportunities were embraced and managed to fit both GE needs and local conditions and values.

Jack Welch focused incessantly on the future. He was at the fore front of many of the moves GE made under his leadership. He saw change as an opportunity. He led the Ecommerce and the six sigma revolutions that were to have such a profound impact on GE. He is quoted as saying

“Control your destiny or someone else will”

“Change before you have to”

“If you don’t have a competitive advantage get out of the game”

He is often talked about for his skilful and intuitive gift in managing a portfolio of strategies

Blue Ocean Strategy written by W. Chan Kim and Renée Mauborgne is the quintessential book on the topic. They point out it is easier to find new areas of business than fight tooth and nail for a dwindling market.

8.2 Outside-in

Peter Drucker made it clear that leaders need to look at their organisation from outside-in. They need to define their business from the customer perspective. Leaders have to be aware of all the non-customers out there, asking how could we tap that potential?.

Drucker singled out Jack Welch as an example of a great “outside-in” leader.

8.3 Proactive management of risk

Leaders need to be constantly aware of the risks and be discussing the likely consequences with their management team.

Welch sought to minimize risk by focusing on GE businesses that were big enough to survive a few “*strike-outs*”.

8.4 Defining the Mission, Values, Vision, and Strategy

Leaders need to define, establish and communicate to all layers of staff the organization’s mission, values, vision, and strategy. As Jack Welch says “Everybody then has the same set of facts”.

Welch’s greatest gift was his drive for simplicity. He believes that strategy can be documented on five slides:

1. What does the playing pitch look like?
2. What have our competitors been doing?
3. What have we done?
4. What future events keep us up awake at night?
5. What is our winning move?.

Jack Welch called the winning move the big “Aha” for the business. A smart, realistic and relatively fast way to gain sustainable competitive advantage. He sees strategy very simply as getting the right people in the right jobs to drive the “Aha” idea. He wanted the organisation to “ponder less and do more”.

Welch promoted the need to have values that worked so the staff, through workshops, came up with much better wording for the ‘value statements. One great value which resulted was:

“Act in a boundary less fashion always searching for and applying the best ideas regardless of their source”.

Welch sees values as being fundamental, he assesses managers by their results and their values, creating a matrix of four options. The managers with ‘good results and poor values’ were dealt with in the same way as the manager who failed with both – they were outed. You can train many things into a person but it is very hard to get them to change values that have been deep routed through genetics, environment and parenting.

With the clarity that Welch communicated; strategy, values vision and mission to staff, investors and stakeholders, it was much easier for him to get management to make the decision to leave a business where GE were not in the dominant position.. Through this clarity it was obvious that it was no point in having orphan businesses. As Welch pointed out, GE orphan businesses would be a nurtured business in the right hands and so it was both ethically and commercially right to move them on.

9 Managing through the critical success factors of the business

Whilst Jack Welch did not appear to every use the critical success factors, the ones he used in GE were clear to see, and included:

- Commitment to leadership by leading more and managing less
- Continuous education and training for all
- A stay, say, strive engagement with staff who were performing well

- Act swiftly in a boundary-less fashion to apply great ideas wherever they came from
- Innovation is a daily activity
- Be a dominant player or get out of the game
- Paint a 'stretch' vision and sell it well so that it energises the team
- Talking straight (candour) is a daily activity

9.1 Concentrating on what you are good at

Jack Welch turned GE into a power house by ensuring every business they had was either first or second in the market place. If it could not realistically achieve this position it was sold or closed.

This striving to focus and plan for what you are good at lead Jack Welch to follow Drucker's advice that "Your backroom is someone someone's front room". In other words, if others can do a job better than you can subcontract to them rather than diverting energy to be good at everything, a task that is impossible to achieve.

10 Champion of innovation, quality and learning

10.1 Embracing innovation and quality

Jack Welch was the champion of both innovation and quality. He led the introduction of Six Sigma and Ecommerce into GE.,He was also responsible for being the catalyst of the massive IT software industry in India by establishing itself as the first multinational company to contract Indian companies to develop software for them. He saw six sigma as improving the customer's experiences, lowering costs and at the same time, building better leaders.

He was a champion of innovation. He wanted innovation to be part of the culture. Workshops were held called "work-out process" where groups discussed better practices and at least 75% of all recommendations from the brainstorming sessions had to be given a "Yes or No" by the manager at the close of the workshop and the remaining recommendations had a maximum 30 day gestation period before a decision had to be made. This technique forced the decision makers to give innovation a go. Allowing for some failure but getting much success at the same time.

10.2 Challenging management practices that do not work

Jack Welch also challenged many established practices in performance management. The annual planning process, which cripples most organisations by taking organisations into some incremental change and a "spend it or lose it process:", was thrown out along with poorly designed reward schemes.

Welch saw that the annual planning process lead to a "splitting the difference negotiation". A target that would minimise risk and maximise bonus and one that looked merely at some small incremental improvement on last year's performance. This was not the stretch environment that Peter Drucker or Jack Welch thought appropriate for GE.

Instead of setting a fixed target in the future Welch introduced relative measures. In other words, bonuses would be assessed after the year when results could be assessed against market conditions and market share etc.

He pushed innovation to improve the reliability of their products in the pursuit of six sigma. Whilst they had their share of failures e.g. the waterless washing machine, they had many successes.

Drucker saw innovation as being one of the reasons for an organisation for being in existence. He saw innovation being feed by his principle of abandonment, the freeing of resources to be allocated to something new.

10.3 Embracing learning

Few organisations have invested as much as GE has done into creating a learning environment. In many cases it is the determining factor between good and great organisations. Welch followed the GE model and supported the Crotonville School for managers that had been set up by his predecessors. Welch's support went as far as insisting that the senior management team, including himself, spent time delivering workshops.

Welch knew that the senior management team (SMT) would learn much from this "downward mentoring". It would help clarify concepts and energise the SMT.

At over 70 there are few CEOs today who spend so much time passing on their knowledge. If Welch was British he would be knighted for this effort alone.

11 Execution (one of Welch's 4 Es in leadership)

11.1 "Execution first always"

Welch was a past master at execution. There are countless stories of his focus on execution. In one meeting managers were explaining to Jack Welch about the lack of progress in a project. Jack stopped the meeting in its tracks and reconvened it in four hours time. In that time frame the team did more on the project than in the previous three months.

Peter Drucker said that execution was always the benchmark to evaluate a leader. Clearly leaders need to be able to say yes, no or maybe. As Drucker pointed out good leaders realize that a decision, even if wrong, is often better than no decision.

11.2 Finishing What You Start

Many initiatives fail because the leader does not get behind the projects enough and see them through. Many leaders have an attention deficit disorder that rivals one of a teenager. Welch had the tenacity to see all his major initiatives through to their natural conclusion.

12 Develop, engage and trust

Can there be a better exponent of what is required here? This is a massive trait and the reader is advised to read Welch's book and listen to his great interviews, especially the one recorded at Stanford University.

12.1 'Energize (motivate) others - one of Welch's 4 Es in leadership

Jack Welch puts this trait in his top five of 'must haves' for leaders, it is the ability to release the team's members positive energy "to take any hill". To do this as a leader Welch would instil confidence in those he came in contact with.

With the many take-overs GE achieved with Welch there was a major opportunity to utilise the talent acquired in the take-over. Welch, unlike most CEOs, avoided the conqueror syndrome and made it patently clear that this was a great opportunity for anyone who wanted to rise up to the challenge. He saw take-overs as a talent grab and it was criminal if the acquired staff were not engaged ASAP.

In his view 90 days was the outside limit for an integration of teams in a take-over or merger.

12.2 Giving recognition freely

Jack Welch was a big fan of giving regular recognition to the top 20% of high performers, the ones who are over delivering. Whilst recognition is given to all those who do a good job he said never assume the top performers do not need regular feedback.

I believe recognition is one of the most important driving forces in performance. Yet so many companies, managers and leaders believe it has to be given sparingly, as if too much recognition would water it down. There appears to be a tax on recognition. McDonalds and other companies have taken this tax on recognition to the ultimate by having an employee of the month; indicating only one staff member can achieve this. What does it say to the rest of the staff? Surely if four staff succeeded then four staff should be given the award!

12.3 Know your staff inside out

Welch had a manner that staff warmed to. Everybody felt they could have a chat, challenge a process, ask a question. By being a patient listener Welch got to know his staff better than most of his peers around the world.

Welch would also often have weekend breaks with staff, a golf or skiing break where the senior team would exercise and talk business.

12.4 Raise the profile of HR in your organization

Great leaders like Jack Welch have always recognized that the HR team are vital to the organisation. The head of HR was a member of the senior management team and was involved in all recruiting, promoting, training and disciplining processes. Leaving HR to a young graduate to write meaningless policy inserts for a 'never read' manual is a sure fire way to running down an organisation.

12.5 Flatter structures

Jack Welch's aim was always to have the flattest structure as possible. He saw this as a way to avoid the silo mentality of large multinationals. He set up a guide of ten direct reports to a manager. This was possible as every manager in GE had attended a management training course. Many at the large GE training centre at Crotonville and had actually heard Welch's views on leadership, from the man himself.

13 Valuing results and people

13.1 Setting goals that stretch

Welch liked to see goals that were a mix of between possible and the impossible. He went on to say "effective leaders are not afraid to envision big results". By raising the bar so high staff and management were forced to totally rethink the route plan. New ways had to be found to succeed and so often this was achieved.

Drucker was adamant that goals should stretch the team. They should be possible but were quite challenging. He was, however, equally adamant that they should not be used to beat up staff who were not achieving them. Drucker pointed out that it is only worth focusing on staffs' strengths.

13.2 Valuing work life balance

Whilst Welch ran an organisation that made no bones about extracting every bit of value out of their staff and managers, it did also support those that needed time out.

Staff who had already collected a 'pile of chits' were able to take time out to recover their work life balance before they needed to press on. In other words you earned a work life balance by delivering well and gaining the pile of chits.

14 Gather and learn from experiences

From an early age, Welch looked for experience. At the age of 24, he was a scientist in a laboratory, the first employee of the plastics division in GE, selling new products to industry. Throughout his career he went the extra mile delivering results in all the units he worked in.

He sought opportunities that would show off his skills and challenges that would excite him. He left nothing to chance. He managed his experiences and his career.

14.1 Learn about the organization in order to lead

Drucker said that a leader needs to have experience in the enterprise he or she is running. Welch had this experience in bucket loads as he only worked for GE in his entire career, making him a 'rare bird indeed'.

14.2 Leaders need to be constantly reinventing themselves

Great learning have a thirst for knowledge and are constantly looking at ways to move their learning on, they are constantly reinventing themselves. Management professor Nancy P. Rothbard, from University of Pennsylvania, agrees that Welch's ability to reinvent himself and the company was pivotal to his success. "He pursued not just one major initiative while he headed the company, but a whole host of initiatives, and he focused attention on each of them.

Welch was an avid reader of the financial and management press and journals. He makes it very clear that it is a leader's role to be up to date. While truly great leaders are probably born, not made, many good qualities can be embedded in one's makeup. Welch has gained an insight into leadership that very few alive today can match. This came about through his many roles, the courses he attended, the exposure to Peter Drucker's thinking (Welch said "The world knows he was the greatest management thinker of the last century,") and the management training he personally delivered.

Welch is a beacon of practical learning, as he said in one interview, "When you are in the cut and thrust of running a business you will be basing your decisions on your experiences and gut feel, the models you learnt at business school will have no relevance."

14.3 Leadership Can Be Learned

While truly great leaders are probably born, not made, many good qualities can be embedded in one's makeup. Welch trained himself from being a scientist running a laboratory to becoming an exceptional leader. He learned from prior mistakes, he was a student of other GE leaders.

15 Writer's biography



David Parmenter is an international presenter who is known for his thought provoking and lively sessions, which have led to substantial change in many organisations. David is a leading expert in: the development of winning KPIs, replacing the annual planning process with quarterly rolling planning, quick month-end processes and making reporting a decision based tool.

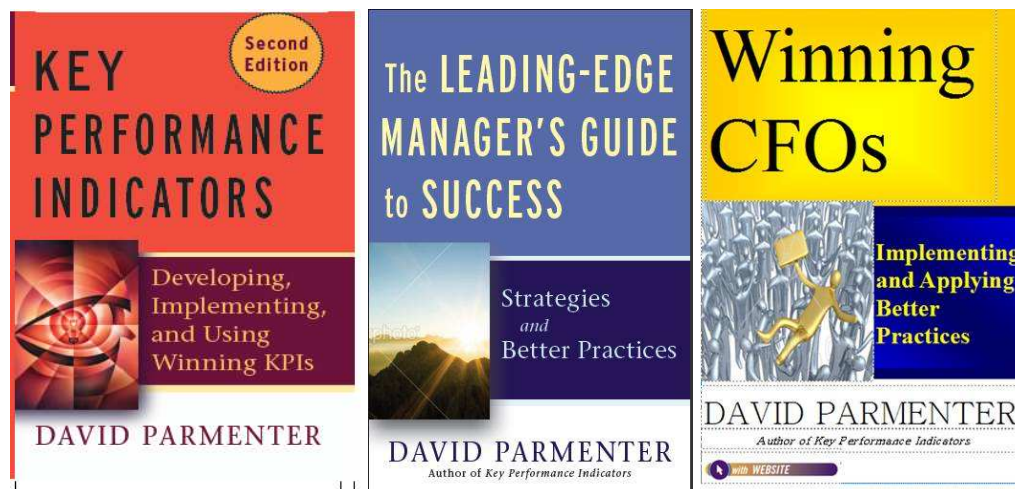
His work on KPIs has received international recognition through; an award from the International Federation of Accountants, the popularity of his webcasts on www.bettermanagement.com, and the success of his KPI book.

He has speaking engagements as far afield as Auckland, Wellington, Sydney, Melbourne, Brisbane, Adelaide, Canberra, Perth, Darwin, Darussalam, Kuala Lumpur, Singapore, Johannesburg, Jeddah, Tehran, Prague, Rome, Dublin, London, Birmingham, Manchester and Edinburgh.

John Wiley & Sons Inc have recently published two books titled "Winning CFOs: Implementing and Applying Better Practices" and "The leading-edge Manager's guide to success – strategies and better practices. His "Key Performance Indicators – developing, implementing and using winning KPIs" is now in its second edition and is a best seller.

David has also worked for Ernst & Young, BP Oil Ltd, Arthur Andersen, and Price Waterhouse. David is a fellow of the Institute of Chartered Accountants in England and Wales.

He has written over 50 articles for the accounting and management journals. He has won two 'article of merit' awards from the International Federation of Accountants. (2007 and 2009). His published articles titles include: "Quarterly rolling planning - removing the barriers to success", "Throw away the annual budget", "Beware corporate mergers", "Implementing a Balanced Scorecard in 16 weeks not 16 months", "Convert your monthly reporting to a management tool", "Smash through the performance barrier", "Is your board reporting process out of control?" "Implementing winning Key Performance Indicators", "Quick month end reporting" "conquest leadership- lessons from Sir Ernest Shackleton" etc.



ⁱ “Winning” Jack Welch and Suzy Welch HarperBusiness; 2005

ⁱⁱ *“The Art of Making People Feel Welcome,”* Jan Gunnarsson and Olle Blohm, Dialogos, 2008.

ⁱⁱⁱ *“Thriving on Chaos: Bold Leaders Gain Advantage,”* Tom Peters, Leadership Excellence, February 2010.