

BOOK REVIEW : 'WINNING'*By Jack Welch and Suzy Welch*

Whenever we have an experienced and successful manager writing about the lessons he has learnt in management, they are sure to be valuable and interesting to all of us. And when that person happens to be Jack Welch as he has done in his recent book "Winning" along with Suzy Welch, you have a cracker of a book which is worth every one of its 372 pages. The book not only has wonderful lessons gained out of a forty year career at GE but is written in a very racy readable style. Jack Welch led GE to consistent growth in profits and drove it relentlessly to become the best known corporation the world over. Having left GE in 2001 as Chairman and CEO, he has since addressed thousands of executives around the world in various areas of management. This book is an accumulation of all those sessions that he addressed and is based on the variety of experiences he had while at GE.

The book itself is divided into four parts. In the first part called "Underneath it All" Jack Welch explains in simple terms the concept of a Mission for a Company as being its ability to differentiate itself in whatever businesses it is in, the importance of having and communicating a clear set of values in achieving that Mission, the importance of what he calls 'Candour' in every organization and the power of differentiation through meritocracy in every organization. The second part of the book is extremely valuable and interesting as it deals with people, processes and organizational culture. Jack Welch offers some valuable tips on leadership, hiring the best quality people, letting people go, managing change and crisis management. Coming from his experience of over four decades in a company like GE, you can imagine the value of these inputs.

The third part of the book is titled "Your Competition". Here he talks about how one can develop a strategy to compete against competition, drawing up of a meaningful budget for the organization; grow both organically and inorganically through mergers and acquisitions and the importance of the Quality Initiative or the GE popularized Six Sigma program. The last part of the book deals with "Your Career" and provides some insights into managing one's own career, how to identify and what to look for as an ideal job and how to keep your career moving. It does have an interesting section on working for a "Bad Boss", and concludes with the inevitable that if nothing works, then change your job. Jack Welch concludes with a section called "Typing up Loose Ends" where he tries to answer a multitude of miscellaneous questions thrown at him over the years. Personally I found the first three section most relevant and rewarding to read.

Since they are not linked in any way, you could choose to read each section independently.

Defining the Mission for the organization is all about answering a simple question “How do we intend to win in this Business”. While the mission has to be simple, and communicated as often and as widely as possible to all the employees, it has to be formed by the top management which is responsible to carry it ahead. In the creation of Values, the book advocates the process of widespread debate amongst all levels of the organization, an iterative process to arrive at a set of actionable simple to understand Values that the organization must follow consistently. “It is all in the natty gritty details” as Jack Welch puts it.

True to his well known style, Jack Welch talks of the need for candour and honesty in communication across the organization. Candour generates interest in people to participate, gets speed in decisions and cuts down costs, time and inefficiencies. Jack Welch also talks of the need to differentiate in every organization – hardware differentiation covering infrastructure, businesses and products and software differentiation covering people. Here is where he talks of the need to differentiate people in every organization as the top 20% who are the stars, the bottom 10% who should be dealt with firmly but with dignity and respect and the vast majority of the middle 70% who are the work horses of the company and need to be motivated and pushed to becoming stars. This practice of people differentiation is debated as to whether it is good, doable, fair and whether it is possible across several cultures especially oriental cultures and Jack Welch comes up with examples and points to support the practice under every circumstance.

Jack Welch’s definition of Leaders and what they are expected to do is invaluable and insightful. To him, leaders must be all of the following.

1. Leaders ceaselessly upgrade their teams using every opportunity to evaluate, coach and build.
2. Leaders make people not only see the Vision – they live and breathe it
3. Leaders exude Positive Energy and Drive.
4. Leaders establish Trust with Transparency, Candour and Credit.
5. Leaders have the guts to make unpopular decisions that suit the Business.
6. Leaders encourage Risk Taking and Learning by support and setting an example.
7. Leaders probe and push – “Why cannot / Why Not” etc.
8. Leaders celebrate.

He follows this up with an excellent framework for selecting the right people as your leaders. Start with the three parameters of Integrity, Intelligence and Maturity, he says, because if you do not have them, then it is a shop stopper. Follow this up with his famous 4E and a P framework which covers **Energy** – the ability to drive actions and initiatives forward, **Energise Others** – the ability to sell and get others committed to and deliver on one's ideas, **Execute** – the ability to get things done and **completed** and **Edge** – the ability to take difficult Yes or No decisions. At the center of this is the **Passion** or the hunger in the belly driving the individual forward. To complete your search for the Leader, Jack Welch recommends that you further consider the following:

1. Does the person have a sense of authenticity about him to carry out the task at hand?
2. Is the person willing and able to surround himself with good people?
3. Is the person able to see around corners or anticipate what is in store for the organization?
4. Is the person resilient enough to recover from the Ups and Downs of any situation?

Jack Welch goes on to give some invaluable insights to manage such good people and leaders. Drive HR as a key role in the organization, provide a clear non bureaucratic objective evaluation system, create effective mechanisms to reward employees in salary, training and career growth and design a clear organization structure with blindingly clear relationships for reporting relationships and responsibilities – these are all key factors for success. Ways and means to deal with that hated task of laying off employees either for reasons of performance or an economic downturn are explained along with sensible inputs. Clearly reasons of integrity for a layoff are a no-brainer for the employer. Crisis Management, another critical area for leaders, is dealt with by laying stress on several methods for damage control including fearing and preparing for the worst from the crisis, withholding no information on the crisis and being prepared for changes in people and processes that would have to be made after the crisis.

In the third part of the book, Jack Welch lays out his methodology for developing the competitive strategy for a company. Lay out your own situation and environment, advises Jack Welch, and then follow it up with a summary of what your competitors and you have been doing over the last year. Analyze changes in the environment during this period and then come up with a competitive positioning to go forward. It is here that the technical brilliance of the books falters and it slips into routine pedagogy.

But the book returns to its own when Jack Welch talks of the way of implementing budgeting in an organization. The past master of overachievement, he lays out how conventional budgeting, whether the Negotiated Settlement way or the Phoney Smile way, has no place in the future and must instead be replaced by a focused aligned discussion between the various stakeholders in a business to arrive at a mutually agreed stretched figure. One now tends to understand some of the reasons for the success GE enjoyed for many years. To bring this section to an end, Jack Welch gives inputs for the masterly handling of Mergers and Acquisitions and goes on to say that the major reasons for M&As to fail are.

1. Soft pedaling decisive decision making as there is no such thing as a successful Merger of Equals.
2. Failing to see the Cultural Fit and only relying on Strategic Fit.
3. Not being careful as to who is the Acquirer - being careful with what you give into.
4. Timidity – unwilling to take bold decision.
5. The Conqueror syndrome – all good ideas in the acquired entity are lost.
6. Paying too much – too much to make up.
7. Resistance from the Acquired Entity.

In the last major section of the book he delves into the organization as perceived from an individual's point of view. He starts by considering how one ascertains whether a certain job is suitable for oneself and advocates a wholesome look at the job covering job content, position, people and organization. He then goes on to explain how one can work under a perceived terrible boss and how does one go about doing that seemingly impossible task of balancing Work and Life as you proceed to climb the corporate ladder.

All in all, a very readable book written in typical Jack Welch style, no holds barred, simple, direct and practical. Not all of it maybe applicable to organizations of all sizes and types in various countries but surely a lot of those gems in those 372 pages can be used to deliver more to one's organization and to oneself. Happy Reading.

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