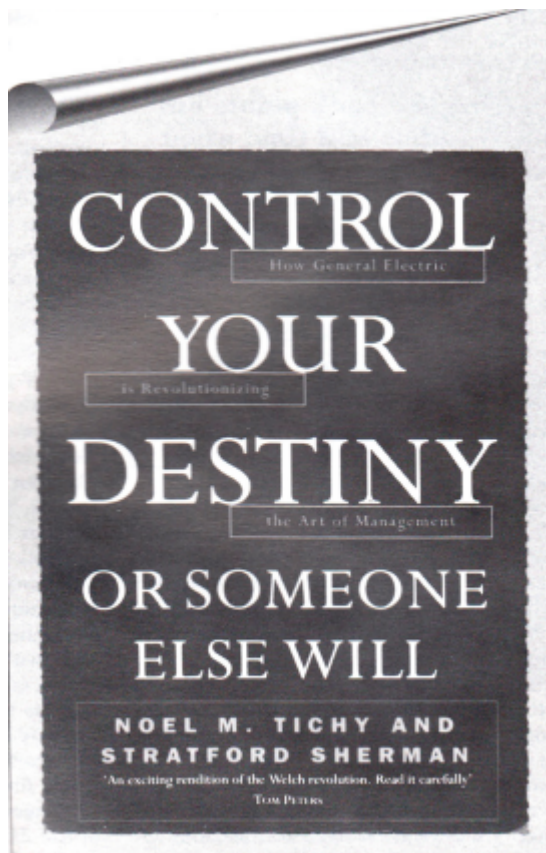



The Challenge of Management

Posted on

The opening paragraph of the book *Control Your Destiny or Someone else will* talks about how the CEO of General Electric, USA, Jack Welch, is revolutionising the art of management and how the author was witness to a debate held in a class room at a General Electric Management Centre in New York, where the subject of debate was: "Jack Welch is the greatest CEO General Electric ever had. Jack Welch is an asshole."

In place of a traditional curriculum based on texts and lectures, this was a no-holds-barred discussion that characterised CEO, Jack Welch's, most fruitful interactions with senior managers. Welch, the son of a train driver, has demonstrated what is needed to turn companies around. He visualised GE as a business engine, driven by individual businesses working together like pistons, with their performance regulated by allocation of capital.





“The goal was to implant and nourish the values Welch cherished-self-confidence, candour, and an unflinching willingness face reality, even when it’s painful”, says author Noel M Tichy, who is a professor at the University of Michigan School of Business and a consultant at GE. The coauthor Sherman, is an expert on leading US companies and writes for the Fortune. magazine. The management methods prescribed are unorthodox, and this is what grips the reader of the book.

The book emphasises the different style of management by Welch. GE previously relied on the doctrine of scientific management, where experts believed that any work process can be broken down into its component parts and then. reassembled in an efficient or scientific manner. Assembly lines, or military style hierarchies was the result, producing enormous wealth but that which alienated employees in the process. The present value-based organisation emerging at GE derives its efficiency from consensus-workers who share their employer’s goals don’t need much supervision.

The book points out that at a time when America’s major corporations were facing lagging productivity and global competition Welch recognised the need for change as essential for the survival of GE. Hence, he set out to control the destiny of GE, before GE was “overtaken by events”. The greatest power we have is the ability to envision our own fate and to change ourselves”, say the authors. Welch thus becomes a breeder reactor of energy, perhaps using his inner conflicts as fuel.

There are some lessons for Sri Lanka too in the Welch approach. Change does not scare Welch. It excites him. He has strong convictions but is willing to listen and change. But perhaps his strongest message is to delegate more and to eliminate unnecessary work. He found that at GE, many of the best managers devoted far more energy to internal matters than to customers’ needs. To put it more bluntly, some GE staff described their company before Welsh took over as operating “with its face to the CEO and its ass to the customer”, he changed that.

The process of transformation needs personal commitment and the willingness to persevere, with the first priority being the recognition that change is necessary. The authors express this point beautifully in simple language-an individual with a problem, whether excess weight or a troubled marriage, won’t make much progress without admitting that the problem really needs solving. The other is that in retrospect, GE’s biggest problems cannot be blamed on previous CEOs or any other employee. The world simply has changed. Sociologist, *Amitai Etzioni* says there are three methods of organisational control-coercive,

utilitarian and normative. Coercive control means pointing a gun at some one and saying, do it. This method is alienating, as it works only as long as you point the gun.

The second is the utilitarian method, where you pay people to do what you want. Unfortunately, the flaw in this method is that money buys labour but not goodwill.

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But normative control depends on a system of shared values to direct behaviour and this is what induces people to devote themselves to a cause.

As Sri Lanka races towards the 21st century, the challenge before us is to find those managers who will use shared values to harness the emotional energy of employees. Such managers will need the courage of their conviction and must instinctively act the right way, without instructions, and with emotional commitment.

Welch asked his employees to face the mirror test: "Can you look in the mirror everyday and feel proud of what you are doing?" He challenged the conscience of GE employees, stressed individual responsibility and assumed that every person not only had a conscience but cared about its dictates.

Welch turned GE upside down The message was clear. Succeed in the market place or you are out of a job. He began to challenge the very basis of employment and the security it brought. "Companies can't give job security only customers can", he said. The book not only spotlights GE's successes but also the failures. But one aspect that Welch brought into GE as a policy was to be honest. There are examples of how GE admitted mistakes, which rather than erode public confidence strengthened them.

Fortune magazine (1989) described the 6 rules of Welch, which are relevant even today. They are:

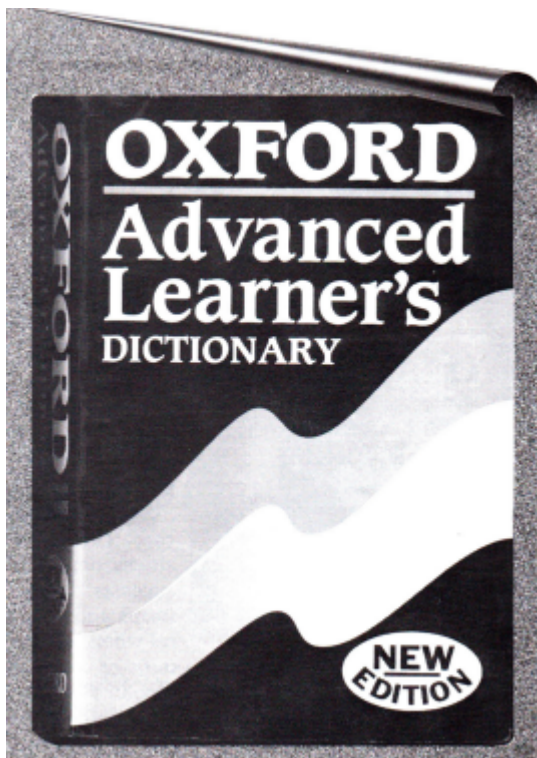
- Control your destiny, or someone else will
- Face reality as it is, not as it was or as you wish it were
- Be candid with everyone
- Don't manage, lead

- Change before you have to
- If you don't have a competitive advantage, don't compete.

The book describes in great detail what Welch did to transform GE. But the dampener many will state is, "We don't have a Jack Welch with us."

Bull, say the authors. Every company has its Jack Welch, most likely several of them. If no forceful changemaker has made his or her own way into the higher echelons of management, that can only be because corporate politics have blocked the way. The authors' advice is to look harder and you'll find the person your business needs to meet the challenges of the 21st century.

But the best part of the book is reserved for the last, where there is an opportunity for readers to see whether they can be revolutionary in their attitude to transform things and shape events and tread on roads that takes one towards history. Its called the handbook for revolutionaries and is well worth studying.



Oxford Advanced Learners Dictionary; 1996 edition; Pages 1478; Published by Oxford University Press; Price Rs 864/-.

The latest edition of the Oxford Advance Learner's Dictionary has 63,000 references, 90,000 examples and includes 2800 new words. The last edition was printed in 1989.

But what is fascinating is to refer the 2351 entries of Indian English, to assist readers to understand the differences between British English and Indian English. They are relevant to us too, with familiar words like Ayah, but here are a few examples from the dictionary:

Become (n) To begin to be. Eg. She became happy when she heard of the birth of the nephew.

Bell bots (n) For Bell-bottom trousers.

Bhikshu (also Bhikku) (n) A Buddhist monk who lives by begging.

Black (n) Using illegal means Eg. I paid very little for this bottle of gin which I bought in black.

Booth capturing (n) The action of taking control of a building. where people go to vote, by a political group in order to produce a result to their advantage.

Buck (n) A rupee, also Chip.

Chee cheer: (interj) An expression of disgust.

Cheez (n) A sexually attractive person. Eg. His new girl friend is quite a cheez, isn't she?

Chums (n) Menstruation. Eg She's got her chums.

Chutia (n) A stupid person; a fool. Eg. Stop being such a stupid chuttia, yar?

Co son-in-law (n) Used of men married to sisters.

Delhi belly (n) A stomach dis order

Dishum dishum (n) fighting. Eg. A hollywood thriller with a lot of dishum dishum.

Goonda (n) A person who is hired to commit crimes or behaves violently.

Hungama (n) A lot of noise and shouting; an uproar. (Wonder if this is from Sri Lanka?)

Pariah (n) A person of low caste or status. Eg. Freelancers are the real pariahs of

journalism; nobody pays them on time or enough.

Poodle faker (n) A European having affairs with several women at the same time.

Pukka (n) Permanent strong

Rice Christian (n) An Indian who adopted Christianity because of the material advantage he or she could get by doing so rather than for religious reasons.

Speed Money (n) A bribe given to make sure that one gets quick service

Tele-teasing (n) The practice of making offensive or threatening telephone calls, usually without giving one's name.

Transcreation (n) Creative translation seen as producing a new version of the original work

Zabardast (adj) forced, cruel. Eg. He made her get into his car just zabardast.

Zabardast: attractive. Eg. She is a zabardast-looking woman.

