

"Jack Welch and the 4E's of Leadership"

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What are the four characteristics shared by exceptional leaders?

1. **ENERGY**-People with energy love to go, go, go. We all know people like this. These are the people who have boundless energy who get up every morning just itching to attack the job at hand; the people who move at 95 miles an hour in a 55 mile-an-hour world
2. **ENERGIZES**-Know how to spark others to perform, They outline vision and inspire people to act on that vision. They know how to get people excited about a cause or crusade
3. **EDGE**-Those with edge are competitive types. They know how to make the tough, life and death decisions. Peter Drucker calls the "life and death" decisions: hiring, promoting, and firing.
4. **EXECUTES**- The best leaders who how to convert energy and edge into action and results. They know how to execute

The 4E leader is the complete package; has great energy, can articulate a vision and inspire others to perform, is a fierce competitor and consistently meets his or her financial goals. Great ideas don't add value unless they're put to good use (1) The smartest people in the world hire the smartest people in the world. (3) Inspiring others, something that almost all leading management thinkers agree is the key to effective leadership (5)

The best leaders have great energy and spark others to perform, The best leaders love what they do (17) Welch's ideal leaders have boundless reserves of energy and a strong penchant for action (25) What kind of company nurtures passion? One that encourages frank dialogue and candid communication (26) Get employees and managers to share a vision of the future. Get all leaders and employees to read from the same sheet of music (33) Create a culture wherein people have a tremendous opportunity to be heard and, ultimately, for the truth to be heard (35)

Anything that gets in the way of candor, the flow of ideas, and the conduct of productive meetings simply *must* be dealt with. Leadership is about creating a climate where the truth is heard and the brutal facts confronted (38) Only 10-15% of all participants who attend training programs can consistently apply the insights and skills they learned (41) When people come up with new ideas, is there a system in place to act on them in a timely manner?

Do you engage your direct reports in meaningful dialogue and provide constructive feedback on a consistent basis? Are people in your organization encouraged to take calculated risks? (46) You have no right to be a leader if you don't have it in your soul to build others (49) One of the keys to sparking others to perform is to make sure that workers are engaged in jobs that challenge and stimulate them. Welch said that leadership is the ability to articulate a vision and the ability to get others to *act* on that vision (50)

Energizers know that the key to motivating is not to micromanage, but to outline a few general goals and let people run with them (53) The key is to get people at *every* level involved with innovation (57) The 4E leader understands this, encouraging consistent, candid dialogue throughout the organization (61) Individuals with edge have a competitive spirit and they know the value of speed. They're confident; they know when to green-light or red-light a project or acquisition. They don't get paralyzed by paradox (75) Welch understood that the key to genuine transformation was "getting the people part right." (79) Leadership development takes years rather than weeks or months (80) Some leaders attempt to lead by control or intimidation rather than by the strength of their vision (82)

Welch argued that getting rid of people who aren't cutting it is a lot better than feigning praise and keeping them in the wrong jobs for years. That kind of "false kindness" Welch argued, only hampered a person later in their career (83) Put your best people where the opportunities are the greatest. Don't waste talent by having them put out fires all day (84) Bureaucracy is terrified by speed and hates simplicity (85) Do the job you are on better than anyone has ever done it (97) Welch didn't believe in "dabbling." Mastering a specific competence or set of skills was critical (98) Managers have to be prepared to change hats and be students as well as teachers (99)

An organization first needs to measure performance. People need targets—*stretch goals*—in order to be able to quantify their performances (102) The key is to find the things that matter the most at your organization and then to spread them around the company like wildfire (106) Every organization must abandon “false kindness” which is not telling people the truth. It’s keeping an individual on the payroll when you know, deep in your bones, that he or she is not cutting it (107) A company must be committed to performance, must be organized for execution and must have integrity in its hiring, firing and promotions (108) To really execute, you will need people who exceed expectations on a consistent basis (109) Consider revamping some parts of the approval system to speed decision making (111) Managers have to be equipped to “pull the trigger” when the time comes (113)

Are the lines of authority in your group well defined? Is it clear who has the ultimate decision-making authority? (115) If you ask Welch what he considers to be his crowing achievement, he will point to the leaders he hired, developed and nurtured. There is one aspect of his record that is indisputable: *his ability to turn his organization into a leader machine* (119) Welch used the GE values to differentiate GE from other companies and to explain to all who worked for GE what behaviors the company expected: Have a passion for excellence and hate bureaucracy. Have the self-confidence to involve everyone and behave in boundaryless fashion (139)

The values of the organization should be consistent—they should not change so drastically that they send mixed signals to the troops (141) **James McNerney** who was at GE and then went to 3M says that saying no and sticking to your guns are habits of leaders with edge. You’ve got to make it culturally okay to say no. Provide the vision and get out of the way (145) Some people think you either have a demanding command-and-control style or you have a nurturing encouraging style...I believe you can’t have one without the other. McNerney created the Leadership Development Institute which trains some 40 high potential leaders at a time in a 17 day “Accelerated Leadership Development Program.” (147) McNerney knew that changing 3M meant imposing more discipline and placing a greater focus on execution and performance (148) He knew how important it was for the entire company to develop a common language (150) He believes that leaders should not be afraid to make decisions and expect people to carry them out.

But he also believes that forceful leaders need to take an interest in their people, and contribute to their professional development (157) **Larry Bossidy** from GE and then CEO of Honeywell, says that some leaders don't confront reality. They let underperformers stay on the payroll because they are comfortable with the status quo and hate confrontation. Don't expect candor unless you are prepared to consistently dole it out. (162) They helped build a company that had execution "in its blood." Ask direct reports to come up with their own annual stretch goals (166) Reward the results that matter most and reinforce accountability (167) **Robert Nardelli** of Home Depot placed a high premium on leadership development and succession planning spending more than \$600 million on training in 2004 alone (181)

The best kind of strategy in the world is useless without the right kind of people to implement it (185) Nardelli share Welch's instinct for both speed and change (189) Winning, ultimately, comes down to people, resource allocation, and the quality of leadership. We have a real passion, a real commitment about attracting, motivating and retaining a high performance workforce (194) An organization that has a strong senior management team but lacks *bench strength* will find itself in trouble sooner rather than later—particularly when it comes to execution (197) There were so many layers of red tape that almost nothing got done. The company's organization chart made no sense, only adding bureaucracy to its woes (216) Dave is a poor *energizer*. He does not lead with vision nor spark others to perform; instead although he does not mean to, he spreads pessimism and negativity (225)