



Enlightenment of GE Culture Change to Chinese Enterprise Culture Construction

CHANGEMENT DE LA CULTURE DE GE DES LUMIERES A LA CONSTRUCTION DES CULTURES DES ENTREPRISES CHINOISES

SUN Jing^{1,*}

¹ Business Management School, Shenyang University, Shenyang, Liaoning, China.

*Corresponding author.

Received 8 January 2012; accepted 24 April 2012.

Abstract

General Electric company development more than 120 years, has remained focused, become one of the greatest top market capitalization companies in the world. GE created a miracle of global multinational companies, how did GE create miracles? there is no changes in thinking, there is no action for change activities. On the concept of GE management culture change to GE's success lay a solid foundation, GE conducted a series of institutional culture change, all this will provide plenty of inspiration to the Chinese enterprise cultural construction.

Key words: GE; Culture change; Enterprise culture; Motivation

Résumé

Le développement de la Société Général Electric est plus de 120 ans, est resté concentré, devenu l'un des plus grands premières capitalisations du marché dans le monde. GE a créé un miracle de sociétés multinationales mondiales, comment avez-GE créer des miracles? il n'y a aucun changement dans la pensée, il n'y a pas d'action pour le changement activités. On le concept de changement GE culture de gestion à la réussite de GE jeter des bases solides, GE a réalisé une série de changement de culture institutionnelle, tout cela va donner beaucoup d'inspiration pour les Chinois entreprise de construction culturelle.

Mots clés: GE; Changement de culture; Culture d'entreprise; Motivation

SUN Jing (2012). Enlightenment of GE Culture Change to Chinese Enterprise Culture Construction. *Cross-Cultural Communication*, 8(2), 25-28. Available from URL: <http://www.cscanada.net/index.php/ccc/article/view/j.ccc.1923670020120802.2820> DOI: <http://dx.doi.org/10.3968/j.ccc.1923670020120802.2820>

1. GE CULTURE REVOLUTION PROCESS

1.1 Concept of Culture Change

There are no new ideas, no new culture. No changes in thinking, there is no change action. The concept of GE management culture change lay a solid foundation to GE's success.

1.1.1 Control Changes

“To survive is not the most powerful or the most intelligent species in the world, but most good strains of species”, GE realized: face to the fierce market competition, “only the change does not change, but we can change”. Successful business leaders, should be “winner of mastering change”.

1.1.2 Pursuit of Perfection

The early 80's, when Jack. Welch became CEO of GE, GE is one of the most powerful companies of United States, all operations are normal, annual sales of \$ 25 billion, \$ 1.5 billion of profit, good asset-liability ratio. However, Welch realized challenges and threats from the market change, realized that under the situation of globalization, second rate products and services will not be able to survive, only those who adhere to the first, and low cost, and high quality, and has an absolute advantage products and services in market positioning, can win in competition .Therefore, Welch decisive that eliminated some profitable but has been out of business, only leaving those business of dominant in the market, required that all of GE's business division to become the first or the second in the

market, otherwise it will be closed or sold, to achieve the goal of GE as the world's most competitive company.

1.1.3 Legal Copy

Continuous learning is an integral part of the GE thinking changes way, also is important a business philosophy of GE. Externally, GE has adopted new product technology of Chrysler and Canon; has adopted high efficiency raw material supply technology of GM and Toyota; learned about the Motorola Six Sigma management. Internally, between Division of GE technology, and design, and rewards and evaluation system, and the production implementation of shared. To transform the company into a learning organization, GE invested 800 million dollars a year for training, employee without training by Bentonville college of headquarters may not be improved.

1.2 Institutional Culture Change

Idea change is the pilot of management change, but there was no change of system and mechanism of enterprises, corporate culture change is impossible. In order to become more competitive worldwide company, GE conducted a series of institutional culture change.

1.2.1 No Limit Organizations

To make GE more competitive, GE is committed to building the "boundary-free organization", creating a smooth and progressive global company. Their ideas and actions change is that turn complex to simple, learn from small companies, compressed size, management levels was reduced from 9 to 4-5 from the Chairman to the first-line supervisor, totally get rid the second and three-level departments and teams of the management levels. Companies carried out matrix and flat organizations management that vertical management, leaders of each Division directly reports to the CEO and Vice President. Now, there are only three persons in GE's top management team, there are only five functional departments at Headquarters (human resources, production, research and development, information and financial), but is very effective in controlling all the major decision. "No boundaries" make the strength and rich resources, and a huge impact of large companies, as well as development desire, flexibility and passion of small companies to integrate better, eliminate bureaucratic system, and aroused the enthusiasm of the managers and employees. At the same time, help to strengthen ties with customers and suppliers, and to eliminate the outer limit of the company. They allow suppliers to participate in the design and production process. GE's "no boundaries" Actives is based on the managers admiration and pursuit to speed and efficiency.

1.2.2 Not Management

GE operator understanding on "management" is "less is better". Their "Manager" was defined again: the past Manager is the "managers", presented as interventions, and constraints, controller and barrier; Manager should

now be "leading", presented as a liberator, and helper, and motivator and teacher. GE's "no management", does not believe that a manager can not manage freely, but stressed that would not engage in excessive management. Jack. Welch thought, management behavior was defined as: clearly tells people how to do things better, and be able to describe the vision to inspire employees efforts. That is, the "transference of ideas, allocate resources, and open the way". Who have to leave in GE: one is contrary to the ethical principles of people; the second is to control strongly, conservative, hard tyranny and repression to others, and wouldn't change of people. This "not management" ideas, cultivate a large number of excellent and dynamic management talents.

1.3 Active Cultural Change

The significance of corporate culture for enterprise performance is obviously. Those corporate culture of helps to motivate employees initiative and coordination, at the time of change in the market environment that can promote business strategies and behavior pattern for effective change, thereby promoting enterprise performance continues to increase, and the growing time. GE also has a large number of operation and management creed reflects the enterprise's behavior change practice .

1.3.1 Brainstorming

It is a loose, informal and often hilarious of the gatherings pattern, aims to focus on all sides wisdom of the company, and, cultivate and collect and implement the best ideas. Its approach is to ask questions, and listening, discussions, and recommendations, and action. "brainstorming" meanings is: about executives, listening to the voice of the employee is an essential work, about employees, put forward their ideas to solve the problem is a right and duty. Everyone's potential and enthusiasm can be mobilized.

1.3.2 Challenge the Limits

"As customers for winners" is the GE business ideas. Companies action is to ensure that the customer is always the first beneficiaries. Therefore, GE take their quality of products and services as life, and found effective way to improve the quality in the Six Sigma Management. Sigma is a unit of measurement that committed errors in the care measured per 1 million, it shows error number of less and the quality higher. One Sigma show product qualified rate of 68%, three Sigma represents a rate of 99.7%, under normal circumstances, this has achieved a high quality standard. Now most of the United States company at the top level, a better United States companies can reach 3.5 Sigma. In GE's view that's not enough, the world's top companies can achieve six sigma level, or 99.99966%. This is a very high almost reached the limit of standard, but GE people have shown extraordinary enthusiasm and a spirit of challenge. To achieve this ultimate goal, GE implemented Six Sigma standards in companies

around the world, all employees must accept training. Implementation of the Six Sigma management, not only take root deeply in the GE corporate culture and bring huge benefits to GE.

2. KEY FACTORS TO THE SUCCESS OF GE CULTURE CHANGE

2.1 Gain Leadership Commitment and Support

Corporate culture change programme implementation must gain the support and participation from the leadership, personal management power and skills through leadership, by way of practice to guide and help employees more quickly recognize and accept the new behavior. From a certain kind of sense, leadership role of business leaders to speed up process of enterprise culture construction and promote. Make the enterprise to produce powerful centripetal force, enterprise team cohesion as an invincible group.

2.2 Efficient Communication and Exchange

Change is characterized by many conflicts, need to communicate to resolve these conflicts. adequate communication and Exchange, can reduce the cultural change resistance and drive enterprise management change. communication should become part of the corporate culture, GE has a complete system of communication, through a variety of means to train staff, and dissemination cultural. Also, GE do a global staff investigation annual, by made questionnaire to global staff to understanding if staff has confidence to company development direction, whether has company created better of life for staff and so on. Under investigation results, ge take different of change strategy, implementation its change target, meanwhile, GE also full communication with costumer, told they GE how can make customer gain maximum of interests.

2.3 Establishment of Supporting Employment System, and Incentive System and Evaluation System

At GE, all fall into three categories: one is the people who have moral and ability, retain or enhance; the second class is the people who have good moral but lack of ability, give an opportunity for training and try again; three categories is the people who have a bad moral but strong ability, to discard, GE's "moral" is consistently honesty of employees to company. GE can find suitable managers and motivation their work inspire. "Ideas man is a hero", Welch said. GE main job is to discover some great ideas, expanding them, and quickly extend them to each corner.

3. REVELATION OF GE MANAGEMENT CULTURE CHANGE ON CHINA ENTERPRISE CULTURE CONSTRUCTION

3.1 Strengthen the Construction Of Enterprise Leader Quality

Enterprise Manager is the creator of enterprise value, shaper of the enterprise culture, setter of the enterprise standard. They should keep on its image and its positive impact, and to improve their own qualities and accomplishments. Founder of modern management theory Drucker believes that enterprises in today, especially large companies, the attitude of the employees as reflected in first of all is the attitude of its manager. Therefore, on the one hand, managers to improve their quality, should special focus on own moral character in the enterprise's operation and management activities, stress credibility abroad, internal integrity, responsibility for staff; on the other hand, managers should improve their own quality in practice, active the effect of advocate and role model, thus transformation of enterprise culture building activities for all members of enterprise consciousness of common activities.

3.2 Importance of Enterprise Culture Construction and Reform

Culture is enterprise of "software". enterprise culture is enterprise of soul, is "gene" of construction enterprise organization. transformation a enterprise, must change its soul firstly; reengineering a enterprise, must remodeling its new gene. We does not difficult find from GE development of track, enterprise culture has fundamental of role for enterprise development, if enterprise of gravity is from on resources management steering on enterprise of strategy management at past, so, face knowledge and economic globalization background, The focus enterprise management should be on enterprise culture management. 90% enterprise of China also stand in development stage from experience management to cultural management now, only a small number of companies, such as Huawei, Haier, and lennovo, transformation from scientific management to culture management.

3.3 Promote Interaction between Management and Cultural Change

Management change is a change of culture eventually .Enterprise culture is a manifestation of the enterprise spirit, but deeper factor is management system. GE management culture, as advocated in the "brainstorming", and "fighting for the first", and "adapting to change", and "learning with each other", and so on, is not unfamiliar to Chinese companies, but GE has completely

success, because the management system guarantee the correctness of the policy and continuity of system running mechanism. Chinese enterprises should establish and improve corporate governance structure adapt to market competition as soon as possible, promoting the enterprises to develop of free and self-regulating mechanisms, make a good corporate culture really become the consciousness of managers and all staff. Followed by interest mechanisms, market mechanism is essentially a mechanism of interest, only when the employees enjoy the company of interest, he can get enough power, can spontaneously aware: the struggle for company, is in the fight for himself survival and development.

3.4 Create “Encouraged Attempts and Tolerance Failure” Atmosphere of Innovation

Enterprises want to achieve good profit, it must rely on innovative business ideas. Only by persisting in innovation, enterprises can quickly grow, there is no innovation of enterprises, it is impossible to have good development prospects. To do this, on the one hand, managers should create an atmosphere of advocating innovation within the enterprise, shaping the culture of innovation, enable every employee to become the source of innovation; on the other hand, for encountered setbacks and failures in innovation, should be taken generous and tolerant attitude.

Fostering a culture of innovation, encourages employees to continuously put forward science new ideas and new programme, create new knowledge and new products, enterprises must abandon the traditional rigid management style, breaking through the old way of thinking, play down the distance between staff and leaders, carry out the supporting and coordination-oriented style of leadership. For new ideas of employees on the basis of scientific, leader should actively support, in an atmosphere in which employees have a wide field of view, rich imagination, ambition to forge ahead, making management more diversified and flexible in order to motivate the employee spirit innovation. For example, Haier Group had lower wastage rates, their experience is to encourage attempts, tolerance failure.

3.5 New Ways of Exploring Chinese Enterprise Culture Construction

In the process towards market economy, Chinese enterprise culture construction are same with enterprise's own development, the task is daunting. Different

enterprise has different of culture, full vitality of enterprise culture should is unique, but reference GE management culture of success experience, China enterprise of culture construction are should grasp three main principles: first is, established “large culture” concept, building enterprise culture solid of social foundation; second is, change “concept” for core, restructuring enterprise of fine gene, culture is enterprise soul, and it of core is “value concept”. no new of concept, on no new of culture. Third is, attention incentive, fully mobilize the enthusiasm of people. Driven by passion, enthusiasm need be motivated, between the incentive and penalty, value orientation of corporate culture should be incentive-oriented.

REFERENCES

- CAI Yi (2007). Culture, Leadership and Innovation-three Key Factors Affecting for the Future Development of Enterprises-thinking and Experience of Visiting United States GE's. *Aeronautical Manufacturing Technology*, (1), 33-36.
- XU Zhenglin (2007). The Power of Corporate Culture. *Metallurgical Enterprise Culture*, (3), 28-30.
- LI Jingping (2003). Cultural Dislocation of China's Enterprise Culture Management. *Cultural Studies*, (3), 45-47.
- WANG Xichang (2006). The Construction of Enterprise Culture in Economic Development. *Cultural .anagement*, (5), 51-53.
- ZHOU Changwei (2003). Cross-culture Training in Human Resources Management. *Corporate Culture*, (7), 18-19.
- GU Weiping & XUE qiuzhi (2004). Cultural Integration of Transnational Merger and Acquisition. *Foreign Economics and Management*, (4), 33-36.
- ZHANG De & LIUJisheng (2009). China Enterprise Culture. *Journal of Now and Future*, (5), 27-29.
- SUN Yufeng (2006). Enterprise Culture on Enterprise Development to Promote Effect. *Economist*, (2), 18-21.
- CAO Shitu & YANG Ning (2007). Compare with Enterprise Culture of Europe, America, Japan. *Journal of Sanxia University* (Humanities and Social Sciences Edition), (3), 63-63.
- HUANG He & LIU Nengquan (2006). Formation Mechanism of Enterprise Culture--enlightenment on Chinese Private Enterprises. *Modern Management Science*, (5), 22-25.
- Yang Jianyong & Jia Lin (2006). East-West Enterprise Culture Fusion Analysis. *Economist*, (3), 36-38.
- WAN Xi (2006). Several Measures of Created Trust Enterprise Culture. *Economic Management*, (2), 45-47.