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Jack Welch, former CEO of General Electric (GE), put a lot of stock in people who shared GE's values--more so than people who just delivered the numbers. Welch put his managers into one of four categories:

1. *Delivers on commitments--financial or otherwise--and shares GE's values.* "His or her future is an easy call," says Welch. "Onward and upward."

2. *Does not meet commitments and does not share GE's values.* "Not a pleasant call, but equally easy."

3. *Misses commitments but shares the values.* "He or she usually gets a second chance, preferably in a different environment."

4. *Delivers on commitments but does not subscribe to GE's values.* What happens to managers who deliver the numbers but do not live the GE values? According to Welch, they get fired.

When Jack Welch began rolling out the outcomes associated with these categories, some people at GE were in shock. Prior to him, delivery on numbers meant job security. After his arrival, business units were expected to be ranked #1 or #2 in their respective categories and their managers were expected to possess and exemplify GE's values. Numbers and values, together,

became the new meaning of job security.

Jack Welch would periodically lasso up his top 500 managers and talk to them about managers he labeled as "A's, B's, or C's." He would urge his colleagues to work hard to hang on to the "category A's"--in other words, outstanding team players who subscribed to the company's values. He urged that they nurture the B's but move quickly to get rid of the C's. He'd tell them: "Too many of you work too hard to make C's into B's. It is a wheel-spinning exercise. Push C's on to B companies or C companies, and they'll do just fine. Take care of your best. Reward them. Promote them. Pay them well. Give them a lot of stock options and don't spend all that time trying to work plans to get C's to be B's. Move them out early. It's a contribution."

He emphasized the key was to demand more of the A's, to cultivate them, and to nourish them--because A's were the "numbers" and "values" managers. B's were managers with values but needed training and/or mentoring to bring in higher numbers. And the best thing to do with C's, he'd say, was to get rid of them (and not feel guilty about it!).

As Welch watched the business environment grow very competitive and intense in the late 1990s, he concluded that being a business leader had become

far more demanding and reaching than what it had been in prior decades. Business became a global operation for most companies. Becoming a CEO was no longer the culmination of a career--it was stepping into a job where the real battles were about to begin. Being an effective business leader meant surrounding yourself with category A's--that is, the best possible people. He advised: "You cannot do these jobs alone. You've got to be very comfortable with the brightest human beings alive on your team. And if you do that, you get the world by the tail."

Although I'm referencing a leadership scenario from a few decades ago with a CEO that has long-since retired, Jack Welch's philosophy still holds true today. Maybe we don't call managers "A's, B's, and C's" anymore, but we certainly categorize them as either great, good, average, below average, or simply no good at all.

So embrace and nurture the managers who share the company's values. A's are golden and B's are ripe for the picking. And if the B's aren't making the numbers you expect, consider reassigning them for added learning, training, or to exploit their expertise in a different area. Do everything possible to keep people with values because ultimately they will do more to make you rather than break you.

~ The End ~