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Case Study: Jack Welch's Creative Revolutionary Transformation of General Electric and the Thermidorean Reaction (1981–2004)

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Abstract

This case study draws a parallel between the French Revolution and the GE 'revolution', according to three waves of transformation. We discuss the 'hard' effects on GE employees (strategy, structure, employment, rewards) and the 'soft' effects (culture, work climate, indoctrination). In parallel with the French Revolution, the retirement of CEO Jack Welch was followed by a 'Thermidorean reaction' characterized by the relaxation of Welch's professional and ethical standards, lassitude and indecision in the GE organization, and the fall of GE stock price by 45 percent. Welch's role as revolutionary leader and driving force is highlighted.

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