Learning by doing: GE’s approach to developing people
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Working knowledge

Training and developing employees is much more than an employee benefit. It is a critical business driver that leads to high-performing employees and solid workforce retention. Unfortunately, it can also be expensive.

It is not uncommon for many companies to have little or no budget for formal training programs, especially during challenging economic times. Training is time consuming and difficult to do well. And even if companies do make the investment, there’s no guarantee their efforts will pay off in the form of greater productivity or better leadership.

At GE, as in most companies, 80 percent of the learning gets done on the job, and 20 percent is done through formal learning platforms. We actively invest in both. In fact, GE spends more than $1 billion a year on the training and development of our employees, more than most companies. But even with this substantial investment, the vast majority of development still happens on the job. We do this by creating a corporate culture that values learning, and by providing specific on-the-job opportunities for employees to develop and grow.

Jobs that teach

Formal training is an important aspect of employee development, but the reality is that some of the most impactful development opportunities occur on the job. At GE, we believe that all training should be work related, and all work should be a form of training. That means providing opportunities for employees at all levels to excel, develop, grow through on-the-job experiences, and become leaders. These developmental opportunities are a critical part of GE’s overall leadership development philosophy, which includes: 1) telling people what’s expected, 2) helping them get there, and 3) holding them accountable.

Within this framework, there are a number of ways to provide development opportunities on the job. Here are four methods used within GE:

- **Challenging job assignments**: Employees with routine or overly simplistic responsibilities lose interest in work quickly. At GE, we provide employees with constant challenges and a wide scope of responsibility that will build their capabilities and confidence. This may mean assigning them the responsibility for a challenging project—allowing them to operate independently, to find the resources they need, and to build their own network—without micro-managing.

- **Stretch opportunities**: Learning new aspects of the business, or achieving success outside the normal scope of expectations, is highly rewarding for employees at any level. At GE, we constantly strive to give employees opportunities to explore, and succeed in, unfamiliar roles or different parts of the operation. We also believe in moving an employee

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into a leadership role before they may appear ready on paper. An example of this would be assigning tasks well outside of their area of expertise, such as leading a team or expanding P&L responsibilities.

- **Visibility and accountability:** Employees must know that what they do and how they do it matters. This means setting clear expectations, holding employees responsible for their failures, and rewarding them for their successes. At GE we do this by building a performance-driven culture, where performance is measured against well-understood goals through clearly defined metrics. It also means providing employees with regular exposure to high-level executives. The culture is such that when those goals are achieved, or exceeded, employees are visibly rewarded.

- **Candid assessment and feedback:** Without feedback, employees cannot know when they’ve veered off course. Honest, constructive feedback is critical and can help employees redirect their efforts. At GE, this feedback comes from managers, peers, and even direct reports. This happens through both formal and informal means. Formally, there is an employee review process that takes place once a year. Throughout the year, both positive and negative feedback is provided through e-mail, phone, chat, face-to-face meetings, and even handwritten notes.

### Developing a reputation

A company is made up of its people. And investing in the success of those people is more than just a cost of doing business. It is the business. That’s why at GE we take a thoughtful approach to both our formal and informal training.

Though we do not measure the return on our training programs, GE has gained a reputation over the years as one of the best companies in the world for training and development. For example, we are regularly named among the best companies for leaders by *Fortune* magazine. We are consistently named one of the best places to launch a career by *BusinessWeek*. And we are annually ranked among the world’s top 20 most admired companies.

These accolades are in large part the result of our company-wide commitment to development. They help us to build a culture of learning, and attract employees who are eager to challenge themselves and learn along with us.

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