

The Future of Work podcast is a weekly show where Jacob has in-depth conversations with senior level executives, business leaders, and bestselling authors around the world on the future of work and the future in general. Topics cover everything from AI and automation to the gig economy to big data to the future of learning and everything in between. Each episode explores a new topic and features a special guest.

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Jacob 01:21

Hello, everyone. Welcome to another episode of the future of work. I'm your host Jacob Morgan. And today I'm joined by Jeff Immelt, the former CEO of GE and the author of a brand new book called The Hotseat: What I Learned From Leading a Great American Company. Jeff, thank you for joining.

Jeff 01:36

Nice to meet you. I look forward to the conversation.

Jacob 01:39

Oh, yes, there's so much stuff in here. I took more notes from your book than probably I have from any other guests that I've interviewed over the years. There's just so much fascinating stuff in there. But let's start off with a little bit of background information about you and how you actually became the CEO of GE. So take us way back even how you were raised, how you grew up and what that path look like for you.

Jeff 02:03

Yeah, I grew up in Cincinnati, Ohio. My dad was a lifelong GE employee in the aviation business. So really a typical middle class upbringing. I was kind of a combination of a math nerd and a football player. So I always liked problem solving, even at an early age, and I played lots of team sports in high school, and in college. In college, I was like a physics and math major and a football player. So that kind of continued through college. I ran out of money and needed to work a little bit. So I joined PNG for two years before Business School. My office mate was Steve Balmer, our desks touched each other. So Steve, and I've been friends for almost 40 years.

Jeff 02:56

I went to business school and graduated in 1982. And that started my journey in GE, I started in sales, selling plastics and the automotive industry. I was promoted several times in that business early on, and kind of sales and marketing product management. I went to work in GE's appliance business and learn how to fix compressors and ran a service business during a real a big product recall. Then I ran our healthcare business in the late 90s. So I kind of moved around a lot. I did different technical and, and commercial kinds of jobs and lived through cycles and failure and crises and globalization, things like that. And in 20 years after I joined, I became CEO of the company. So you know, a little bit of experience, a little bit of luck, a little bit of performance. That's kind of how most careers are built.

Jacob 03:55

It's funny as I was going through your book, the people who you surround yourself with, you know, the dinners that you had with various people who you grew up with people like Steve Alma, you reminded me of, you know, those those athletes who are now really famous, who always tell stories of back in the day when they were, you know, coming up in their careers, and they were surrounded by all these other famous athletes. I mean, you were surrounded by an all star team of young business leaders who ended up changing the world. It's really fascinating.

Jeff 04:25

Jacob, I tell people, like always be nice. always treat people with respect the first time you meet them. Be nice to them. Like the first time I met Jamie Diamond was on a basketball floor. We were competitors. Right. And so we became friends, Steve, Steve and I were drinking mates like we were both too immature to be business people but we were like partiers and drinking mates so you never know how life's gonna turn out. So it always behooves you. Just be nice to the people you're with.

Jacob 04:56

Yeah, it's fascinating. One of the things that you actually talked about in your book is How you were, there was a time during your life when you were actually pretty broke. And you were living, as you said in a closet. Can you talk a little bit about what that time was like for you? And what was going on?

Jeff 05:11

Yah, I mean, you know, so I kind of went to school, work a little bit, then went to business school. And when I was in business school, I kind of ran out of money. So we lived four people in a three bedroom place. And we kind of hived off the back of the apartment, that could fit a bed and a small desk. And that was my living arrangement. And that helped me, you know, be able to save money, I got to pay the least rent, and I had a Visa card that had a \$300 limit. And it was I had maxed it to like \$3,000. So I was using it, I would pay like \$12 a month. So I was using the float of a credit card to kind of get me through the moment in time. When I was most in debt, then I signed a balloon note when I graduated from Business School \$25,000. And none of it was due for five years. So then I get married, my wife and I, we have a young child, we have a baby, the five years comes up right before Christmas. And my wife says, you know, we got a bill today for \$25,000. And I said I knew I forgot something. Sorry about that. And yeah, that's that's what you know, you do what it takes when you're young?

Jacob 06:29

Yeah, it's the very beginning of your book, you said that you almost didn't write this book. Why did you actually end up writing it?

Jeff 06:37

Yeah. So my career didn't end the way I wanted it to for sure. And I moved to California, because I needed to heal and decided to get into venture and do teaching and things like that. And, you know, I was just unhappy, I felt like the whole narrative around GE had been lost. And that, you know, truth equals really facts plus context. And I felt like the context had been lost. So one of the reasons why I wrote it is, I wanted to tell a more complete story. I didn't want it to be defensive, I wanted it to be complete.

Jeff 07:13

And the other thing is in the in the subsequent three or four years, you know, I now teach at the business school at Stanford. And I find that the students you know, they don't want like the seven pearls of leadership and look at me, I'm perfect. You know, they've lived through the financial crisis and COVID. They want to know how you figure it out when it doesn't work, how you survive through volatility. And so I felt like there was an audience, you know, even people that didn't care about GE, there's an audience for a book that was really about persevering through crisis. So those are really the two reasons why I wrote the book, I took my time, I hired a great co author, she spoke to 80 people, and it was, it was a real process.

Jacob 07:56

Yeah, you as you talk about in the book, many people have been very critical of you over the years. And even you know, today, even saw people online, very critical. Some of the interviews that you've done, people have been very, very critical of you. And I find that especially now in the age of social media, it's very easy to be critical of somebody, and to quickly just jump out and say something, but for all the people out there who have been critical of you over the years, if there's a particular message that you wanted them to get from the book, what would that message be?

Jeff 08:28

Yeah, that there were there were people in this company that tried their best and actually did perform pretty well, right? If you look at cumulative earnings, market share, you know, if you go back to 2016, this was a top 20 market cap company, it was number seven on fortune most admired, it was number one on companies to to hire leaders, we were leaders in digitization and globalization, you know, but the stock didn't work. succession planning didn't work, there were things that didn't work.

Jeff 08:59

And to your point, we live kind of in a world without nuance. And, and, you know, it would be one thing, you know, Jacob, if the story the way the story was, was told, or the criticism was just me, but there's hundreds, if not 1000s of people that have been hurt through this whole process. And you know, I had the means to kind of help correct that. And that's what I tried to do.

Jacob 09:25

And of course, you worked with one of the most famous CEOs in history who passed away fairly recently, Jack Welsh. What was it like to take over for I mean, even today, he's probably considered to be one of the most famous legendary CEOs right the CEO of the century as he was called. What was it like working with Jack and then also taking over for Jack?

Jeff 09:48

Yeah, so let me handle the first one first working for Jack was great fun. I thought he was challenging he was giving he was creative. I think he likes to curry this image of, you know, neutron Jack, tough as nails, things like that. But But that wasn't the person I saw, I saw a person that was always challenging and always completely giving and what he did, I would still say, Jacob, that, you know, he was really one of the best leaders I've ever seen running something at scale, right? He, he created an aura, he

was a great communicator to 300,000 people to one person, he was fantastic, and all those activities and all those things.

Jeff 10:36

But by the end of the 90s, it was a company where perception didn't equal reality. We were 50% financial 50%, kind of an old industrial company. We traded like Amazon at a at a 50 pe. And so kind of following him, you know, the trick was to drive the appropriate kind of change, while never looking backwards and never casting blame. And, and that's challenging. Look, it's easier to follow a jerk than it is to follow, you know, the best leader of the previous century. Right. But I never wanted to be him. I never wanted to act like him. And I felt like the company needed change.

Jacob 11:20

Yeah, he's a very, I think he was called the celebrity CEO at the time. So I'm curious to hear your perspective. If Do you think his leadership style and approach would work in an organization today? Because I think there's been a lot that has changed over the years. What a what a Jack Welsh thrive inside of an organization today?

Jeff 11:40

Look, I think there are elements of what the way he led, you know, his focus on people his focus on metrics that are timeless, right? There, there are elements of kind of short termism? I don't think he ever respected technology, really, you know, there are elements of his leadership that just didn't, wouldn't travel today. You know, it was, I remember him saying, Jacob, many times, like, don't do anything unless you can control it, right, don't do anything unless you can control it. Today, you control nothing, if you're the CEO, of a public company. So I think, you know, the trick with every generation of leadership is to pick the things that travel that work, and pick the new things that have to be part of, you know, making making a company vibrant and competitive in the next generation. And so I think that's the way I would assess how much would work and how much wouldn't work in this generation.

Jacob 12:38

Can you talk about the relationship that you had with him over the years and how it ended up ending because I think towards, I think it was the end or the beginning of the book, you talk about how, you know, you fought with him, you loved him, you admired him. But then there's also this really, I thought, sad story. It's kind of like something that you would expect in a movie where his funeral, you said that you were quietly standing in the, in the back of the pews, while other people were giving this eulogy. So it sounds like it wasn't always easy. And you guys did have, at times a tough, intense relationship.

Jeff 13:12

Yeah, look, I learned a lot from him. And I had immense affection for him as a leader growing up in the company. In the early days of my CEO tenure, we had a good relationship. In in 2008, at the beginning of the financial crisis, you know, I missed our earnings numbers. right at the beginning, I mean, you couldn't see the crisis that was yet to unfold. This was in the very early days, but it clearly was what impacted our numbers. And, you know, he went on CNBC and really dramatically criticized me. And that was kind of the line of demarcation in our relationship, right?

Jeff 13:58

You know, I was respectful, I never talked at all about anything in the company and flaws. That was one moment when I really needed a friend, and he chose not to be a friend. And so I would say, from that point onward, we had a cordial relationship. Whenever I was troubled about anything, I would call him even times when we weren't having a good relationship. But I would say, you know, I respected him at that point, I leaned on him sometimes for questions. But we weren't close over that, you know, let's say the subsequent decade. And then, you know, what I mentioned the funeral was, you know, like, like, when when he died, and that his funeral, all the people that basically, you know, kissed his butt when he was alive. And when he was CEO, they all turn their back on him the in the media, you know, when he died, and I found that to be sad.

Jacob 14:55

Yeah. No, I mean, the way that you talked about in the book, I mean, it was, I think, very sad. One of the people who I think has been very, very critical of Jack Walsh over the years has been Simon Sinek. Of course, the leadership author. And I don't know if you saw this or where this but he, I think at one point he even said people, I don't know if he said Jack Welsh specifically, but I think he said leaders like Jack Welsh, he actually used the word bastards. And he said that people like Jack Welsh are the ones who are responsible for mass layoffs of greed of being selfish. Do you agree is that is that true?

Jeff 15:33

Look, I think Jack drove productivity. He drove hard, a hard message about financial stewardship and responsibility. And he wasn't afraid to make tough calls. Right. So so you know, to a certain extent, I think it could lay it gets laid at his feet in the context of restructuring, outsourcing, things like that, but but it was really kind of the genre of the of the of the era, right, the 80s. And 90s. Were kind of the peak of U.S. CEOs really believing and thinking in and feeling like they could do whatever they wanted to do and probably, you know, get it get away with it. Right, in terms of not outside the rules, but in terms of, you know, driving efficiencies and things like that.

Jeff 16:27

So, you know, that's how Jack gets, gets cast. Look, what was he good at? He was good at developing human resources, developing people, putting metrics in front of companies and being really sustaining things like productivity, I think, what could you be critical about him as that, you know, he just wasn't towards the end of his career, you know, really focused on technology. And, and, and many of the practices that were put in place in the 80s, and 90s. had to be changed in the 2000s, and the 2000 teens. And that's not his fault. It's just the the, you know, kind of the social site, Geist has changed so dramatically. And I don't think leaders can blame the past. They just have to pivot and do things differently in this generation.

Jacob 17:22

Do you remember during it, and I'm just curious for historical context, where layoffs have been even before Jack Walsh, I mean, your career? Do you remember?

Jeff 17:29

You know, I really don't know. Because that was kind of the world I grew up in. But, you know, it's just, it's just, there were there were just too many inefficiencies. And I don't think anybody can blame leaders for not being efficient. I think people can blame leaders for not being innovative. And that's really the line I would try to draw both in the book and the way I've talked about the company, externally.

Jacob 18:00

So before we shift gears and focus to you, maybe one last question about about Jack, is there a favorite Jack Welsh story that that comes to mind? You had a couple in the book? Is there one in particular that that you love sharing with people, whether it's from the book or something that's not in there,

Jeff 18:21

So one is like, and these are both more or less than the book, but attention to detail, right, and willingness to jump over boundaries, to get his will done. I was in the plastics business as a sales manager. We had to go to General Motors and get a price increase. I'm with four of my sales reps in a car and a Taurus and the General Motors parking lot. The phone rings, those old block phones, that would be in a car. I answer the phone is it's Jack Welsh, he's my boss's boss's boss's boss. And he says, Kathy put me on the speaker. And so I put him on the speaker. And here, he's got like five salespeople. And he's lecturing us on you got to get 10 cents a pound, you got to do this, you got to do that.

Jeff 19:15

It was remarkable. his attention to detail. The other one is just his ability to talk to different people in different ways I was in, I was running the medical businesses as maybe a decade later, we'd had a tough meeting, he really kicked my ass. Then we went next door to meet with the union leadership. And he was a different guy who was the charming Irishman and, you know, was totally charmed them and his ability to see different audiences and play them different ways. I thought was remarkable. And as you can see, and as I tried to describe in the book is, I had a great affection for him, but he wasn't perfect and it was a tough, he was a tough guy to follow.

Jacob 19:54

One story that came out or that I remember from the book, I think you were you were sharing something where you had to present data to Jack, and there was somebody with you like a statistician, somebody who's doing analysis and somebody went and presented before him. And Jack like, toward this person to pieces. And the stats guy was so scared. He so he did just did not present anything. And you took I took over

Jeff 20:19

Yeah, it was, you know, we're presenting failure curves, which are logarithmic tables. And he was a statistician, so he was particularly useful in that. And so I started presenting his charts. Yeah, so this went, this is really like two or three or four tense hours. But then I'm walking out of the room afterwards. And he grabs him by the arm and says, Look, you're doing a great job. Just Just so you know, great

job, whatever you need. Don't let the bureaucracy get in the way. I'm here to help you as that was the paradox of the guy. Right? tough, but fair and fun.

Jacob 20:57

Yeah. One of the things that I've asked a couple CEOs on this show is their perception of how work is changed, because Jack, you know, he would curse, he would be aggressive. You know, he was he was very intense. And today, it seems like, if you curse, if you're intense, anything like that, you know, people turn on you really quickly. And one of the questions that I asked a couple CEOs, I said, Do you think the world of work or the workplace in general has gotten a little a little soft over the years? And I'm curious to hear your perspectives on that. Because Personally, I feel like a lot of people in today's organizations, if they were in organizations in the 80s, the 90s, if they worked for people like Jack, they would have been torn to pieces. They, they wouldn't have made it. So, I mean, do you think that's true? Is that the case? Have we have we softened up a little bit over the years? And it's not necessarily a bad thing.

Jeff 21:52

You know, look in some ways, the intellectual the intellectual content of work is greater today than it's ever been. But, but the norms of work are softer today, for sure, for sure. now some of that I think, you know, Jacob is the fact that, look, when I went to work in 1982, I actually thought I would I could stay with the same company for 30 years, right. And therefore, you know, you were more willing to give people a second chance or to say, look, I got my butt chewed today, but I'll make it up tomorrow. Now, people kind of lead a more nomadic career. And so, you know, everybody has like a half a foot out the door, maybe not, maybe not a whole body out the door. But they're, they're not planning on staying a place forever. And I think it means that sometimes leaders can pull punches and you know, give more of a second chance than maybe they could before.

Jeff 22:56

But look, I think, I think Amazon has got a tough minded culture. I think Tesla's got a tough minded culture. So the very best companies still are demanding of their people. You know, one of the most famous classes at Stanford Business School is called touchy feely, which is like, how you get in, how you get in touch with yourself and things like that. And kids love it. So I think it's great. But I tell them, Look, once you leave here, there's no touchy feely.

Jacob 23:27

I come from an immigrant family, and my dad's from the, you know, former USSR. And if you tell him that there's a class called touchy feely, he's going to lose his marbles. that would that would not fly with Russian Immigrant parents. You also had a story that I remember where you were talking about how there were three potential candidates who were going to be CEO, and I know you've talked about this before, and Jack basically went over to you and said, Hey, if you're not chosen for CEO, you got to get this company. I was reading that. And I'm like, man, there is no way that would fly today.

Jeff 23:57

No, no, I mean, I think it was, but it was like, it was like the end of a golden age, he was the most famous CEO, the succession process, were just so public, and so and so visible that, you know, in

some ways that was kind of, of the era. The era today is is, look, you know, Google's a great company. Larry leaves, somebody else steps up, you just read about in the newspaper The next day, it's not, it's not part of some big Olympiad or things like that. So I think that's Bezos the same way. Bezos steps out of any jassi steps. And, of course, everybody cares. But it's not like it was this huge, visible, gladiatorial contest. I think that was just of the era.

Jacob 24:43

You had to lead through one of the greatest tragedies in American history being a 9/11. And I think in the book, you talk about how that was even more of a tragedy than than COVID. And I'll let you elaborate on that. But do you remember where you were when 9/11 happened and what was is going through your mind and the response that you took?

Jeff 25:02

Yeah, look, I was in Seattle, visiting Boeing, and I'm in the hotel fitness center in the morning. And I watched the second plane hit the World Trade Center. So at that moment, you know, I knew something was wrong. So I was on the West Coast for that entire week, until they let planes continued to fly. And you immediately we immediately went into kind of these crisis calls crisis sessions. And, you know, that was the first terrorist event I'd ever seen. And I would say, through that process, I kind of learned that, yeah, something I had always been pretty good at. And that's absorbing fear that you don't want to be an accelerant of fear. You want to be a shock absorber of fear.

Jeff 25:51

You learn to hold two truths at the same time that things can always get worse. But that things can also have a future and you need to focus on that. You have to communicate like, hourly, daily, and that's we did a lot of that. And we make decisions, you know, it's like, there's no honeymoon for me. You just you just sit right down and you start making decisions. And you find that some work and some don't, but in a crisis, you've got it, you've got to take action. And then those are the things that were confronted right away. We were in the course aviation business, we were in the insurance business. We were in the media business, all three of those businesses got rocked on 9/11. And we lost two people.

Jacob 26:35

Yeah. How do you respond when there's no playbook? Because I think the same thing happened during COVID. I mean, there's no playbook for a terrorist attack. There's no look for a pandemic, you're expected to lead regardless.

Jeff 26:47

Yeah, I think same thing. The financial crisis, there was no playbook. COVID there was no playbook 9/11 there's no playbook. I think it starts with the kind of people you have around you, are you surrounded by people your trust that you can talk to? And then I think you need to develop kind of a sense of timing, what decisions need to be made today, what decisions can can be put off and you you prioritize the decisions that need to be made, you get smarter every minute and every hour. So you want to have operating mechanisms that move quicker than then than they would in a normal time because you're just smarter.

Jeff 27:23

And I think the last thing is in when you don't have a playbook is you have to be willing, when people say wrong things about you, you have to be very contemporary with it with the respect of owning the narrative and controlling the communication, and things like that, because they can set you back so good leaders flexible point of view. Learn every minute of every day, and be willing to push back when people get it wrong.

Jacob 27:52

Have you ever been scared during your career? I know obviously 911 is an easy thing to point to. But I think a lot of people looked at you over the years. And they thought oh man, you know, Jeff is like a tank. Nothing scares him. nothing bothers him. But they don't, you know, they don't know what's going on inside your head

Jeff 28:10

The financial crisis was if you're in financial services, Lehman Brothers bankruptcy and the 30 or 60 days after that were just terrifying every day because there was so much that was not known. If you're in the industry, you were viewed as a villain. So you were being vilified every day. There are a lot of people that were, you know, attacking the market and attacking stocks and things like that. The public, you know, which was, you know, for probably a generation, the government just was not a player in business. But the government became a very constructive and destructive player. And, you know, I didn't want to go to bed at night, because I didn't want to wake up the next morning and have to look and see, oh, my God, what's gone on with the market? What are people saying about us? And it went on that way for 60 or 90 days, it was just really terrifying.

Jacob 29:11

What about imposter syndrome? Did you ever feel like oh man, I'm in over my head, I shouldn't be doing this job. I can't do it.

Jeff 29:19

There were several times where, you know, I, I doubted myself, or I questioned whether some of the decisions were right. But I think I think leaders take this journey kind of into themselves where they, they try to learn, it's kind of like self reflection, self renewal, and you you you develop this ability to go to bed at night, feeling like an abject failure and waking up the next morning, you know, looking in the mirror and saying, you know, you can do it, right. You're the best You just have to show up, you know, keep going. And I think you've got to have these these reservoirs of self confidence, self reflection, self renewal, particularly to keep going in a crisis. Because really, in the financial crisis, not only was it hard, not only was were the answers uncertain, but you're just getting trashed every day. You know, I remember going. In March of 2009, JP Morgan had a conference in New York City that had lots of CEOs, Charlie Rose was the interviewer. And I was being interviewed, and everybody else was on the edge of the chair, I walk in Charlie Rose says the Wall Street Journal, and he's yellow lined. Everything about GE, which was everything that was in the paper that day. And I can't even tell you like, I didn't

want to go, I thought about canceling, but I showed up. And you know, those are the minutes, the moments you'd never, you never forget, really, the importance of just showing up?

Jacob 31:09

How do you do that? Because, you know, a lot of people, they don't have to deal with Charlie Rose, they don't have to deal with articles being written in major publications on headlines. You know, they just don't want to deal with their manager or dealing deal with something at work. And you had to deal with, you know, major things, your name, your company was all over the place. So how do you deal with feeling that imposter syndrome feeling like you don't want to show up and still doing it? Like do you talk to yourself?

Jeff 31:38

You've got to have just a reservoir of self confidence. You've got to have friends, you know, you need to have, you need to have people who care about you, right, that are that are that are coaching or cheering or picking you up. And you can only build, you know, you can only build confidence and friendships when the shits not hitting the fan. Yeah, if you're waiting to the moment when you're in crisis, to build friendships. You've waited too long, or to think that you can work yourself through it. So again, I think some of its in you. But some of its in the people you surround yourself with, in terms of really, really wanting to work together wanting to care to make it through

Jacob 32:36

Between a leader who is talented, versus a leader who is working hard. Could this is one of the debates that they keep coming up, right? Can you learn to be a better leader? What if some people are more talented? Who do you think has the edge? They're the talented leader or the leader who's willing to work harder?

Jeff 32:52

Oh gosh, I'd have to go with hard work, mainly because change is so prevalent in the world today. Right? So you know, I start entered the business world in 1982. And I didn't know anything about China, nothing at all. I mean, I can find it on a map. That's about it. And if you asked me from 1982 to 2021, almost 40 years, what's one of the two or three most important things that's happened in the business world in the last 40 years, I would say the advent of China is one of them.

Jeff 33:33

Now, talent isn't going to give you the sense of how to participate in that market. But hard work does right? trip after trip time after time. Trial after trial risk after risk, you know, that's how you build capability. So I just think in a world of fast change of amazing change. You know, kind of perseverance and hard work actually matters a lot. I say the last day of my business school class, every year, everybody that graduates in that class could be CEO, GE or Goldman Sachs or almost anything they put their mind to. But in order to do that, you have to you have to answer three questions, right? How fast can I learn? How much am I willing to put up with right, to persevere? And how much am I willing to give to others? Right, those three questions. And those are more about hard work and perseverance than they are about raw IQ.

Jacob 34:37

One of my favorite questions to always ask CEOs and business leaders is how do you define leader and leadership? Because I've been given so many different definitions and explanations over the years. I'm curious to hear yours. How would you define leader and leadership to somebody who's never heard?

Jeff 34:51

Yeah, I think I think a leader kind of picks what's next. Drives change It absorbs fear, right puts up puts up with the crap that's important to build culture. So that's what leaders do. I think leadership is more institutional leadership is about vision, and organization, and human resources and talent development. So I view leadership is kind of institutional, and leader is really personal, right? And that's how I've always distinguished between the two.

Jacob 35:30

During the course of your career, has there been a particular, I guess you could call it a leadership hack or strategy or technique that you've used on a regular basis that think maybe that you think made you a more effective leader?

Jeff 35:42

Yeah, I sustained, I would say, external focus throughout my entire career. So it gave me a good sense for what might be next. So we were early players in globalization, we were early players in environmental investing. We were early players in digitization. And a lot of that had to do with the fact that I spent a lot of time with customers and thought leaders and scientists around the world. And and that was useful. I'd say, if I could sneak in one other one of you know, I, I always try to connect with people kind of like, in their setting one on one, I knew how people did their work. If I was on a business trip to Australia, I would have 1000 things going on. But I stayed in the moment to connect with those people who were on the ground there. So I'd say the other one I would sneak in is that I was a good connector with with people.

Jacob 36:51

I interviewed Tim Ryan, the CEO of PwC in the United States, and he actually echoed something that you said in your book, and that's the importance of leaders having thick skin. And when he talked to Tim, he was saying that leadership now it's harder than it's ever been because there's more spotlight, there's more scrutiny, there's more change than ever before. How do you develop that thick skin? Did it just come over time? Were you ever in a more sensitive and more defensive earlier on in your career?

Jeff 37:20

I actually so I agree with Tim By the way, I think it's never been harder than it is right now. But I actually think no one has thick skin, no one has thick skin. You just choose to you choose to take the high road, right? You You make a choice as to what path you're going to take. But But slights hurt, right criticism hurts. negativity hurts, and people that say that they just shrug it off. I think they're lying to themselves or to you, right? All of the things hurt. But But you make a choice to say, look, am I going to look backwards at the person? Or am I just going to keep moving? And I think I think people who look like they have thick skin are people that have just made the choice to keep to keep moving. But I can tell

you, I've had many critics, I can probably I can probably tell you by name, who they are. But but it's a different. That's a different interview.

Jacob 38:28

Well, actually, it transitions. Well, it's what I wanted to talk about. Next, I wanted to read something that you mentioned in your book just to give people listening and watching a sense of the scale of pressure that you were under. So in your book, you said days before I took the reins from Jack Fortune published a piece titled it's all yours, Jeff, now what. And in it, they noted that just to maintain GE's current level of growth, the company would have to expand by roughly 17 billion in that year, which is the equivalent of one 3M, the next year it would have to grow by a Federal Express. And in 2003 by a Coca Cola in Immelt thus finds himself about where Sandra Bullock was in the movie speed driving an enormous vehicle that shouldn't slow down for any reason that will blow up. That sounds intense. How do you deal with that kind of pressure?

Jeff 39:24

You know, I think at that level, it almost becomes you know, you just can't pay attention to it in that context. Right. You know, other words, I knew Welch's fame. I read that article in fortune. I knew what some of the dynamics were. But by the same token, you just have to go to work right? So I remember having you know conversations with our board saying look guys 50 pe at this size. It's just not sustainable. So I don't know the the, the outcome or the answer, but here's what we're gonna do, we're going to sell the insurance business, we're going to, we're going to get into life sciences, we're going to get into aviation, we're going to focus on faster growth industries.

Jeff 40:15

So I think I think you, you, you, sometimes you can't dwell at 30,000 feet at macro. Sometimes when you've got a lot of pressure, you just have to go chop wood, right, you just have to go break it down into just very micro pieces, that you can begin to attack, and just try to buy yourself, you know, as as, as much time really, you know what I would say, take a look. And to a certain extent, without the financial crisis, I probably wouldn't have written the book and we wouldn't be having this is harder right now. It's like, you know, we're running a play, the play was kind of working. But you know, what you get is, you know, you not only had GE at a macro scale, but you had to deal with 911, the financial crisis COVID, and all those things. And those two things really made, you know, made the job even tougher. But you got to break it down. What are the actions you can get people working on and just go to work?

Jacob 41:16

There are a lot of leaders who listen and watch this show mid level and senior level leaders. What is the best piece of leadership advice that you have learned during the course of your career that you think other people should be applying in their careers and in their lives?

Jeff 41:30

Gosh, I'd say study how people work. In other words, if you're running an organization know what a developer does know what a salesperson does know, you don't have to do their work. But but be able to kind of envision how everybody in your organization does their job, right? How they go, what tools do they use? How do they work together? What metrics move them, and I frequently I go to a CEOs office,

and I'm always looking at their wall to say, what connects them to the frontline worker. And if I work in an office, and it's just artwork, and statues and crap like that, then I don't believe what the value statement says. I'm looking for, like, a picture where they were walking the floor with a nurse, or a picture of a jet engine or something like that. So I got that advice from a guy named John Opi early in my career, he was one of my mentors. And he just said, Jeff, look, no matter how big you get in the company, no matter how big you get, in your career, know how the people that work for you do their work.

Jacob 42:44

Well, I think your book, you talk about one of the reasons why you became CEOs, because you learned how fridges work, right. I mean, compressors, can you can you share that story? Because I think it fits very well.

Jeff 42:54

Yeah, no, I was running the appliance business and in services, we had to repair 3 million compressors. It was the biggest product recall, in the history of the company up until that time. And so we were gonna have to replace all these compressors, I made the entire leadership team, including myself, learn how to fix a compressor. So I would go out every other week and sit in somebody's home. And it was a really hard repair. And I was horrible at it. But it gave me a sense for how you know, people did their work.

Jeff 43:30

And then, you know, I, you and I talked about it earlier, I'm in the we had to go meet with Welch every month. And and the time when the statistician got lock jaw. You know, we had to explain to him why the reserve needed to be \$500 million instead of \$40 million. And he was ripped, right? And he's, he's challenging Why, why, why why? And I'm saying, well, in the reserve, it said the repair would take 105 minutes, but it really is going to take 115 minutes. And he says that's just because the people that work for you are so lazy. They don't want to do and I said no. Like, let me tell you I've fixed 20 compressors, and here's what I learned. And he stood back. And I explained to him like, here's why it takes a long time. Here's why it's hard. And so not only did I get grounded, but it gave me a sense of domain that frequently leaders need to be effective in driving change.

Jacob 44:32

Yeah, it's it's kind of a classic ivory tower problem. It's getting into the ground floor. And I love that story. I think it also ties well into the next thing that I wanted to ask you about which is ego and hubris. You've worked with a lot of in know a lot of leaders over the years who have tremendous egos. And I think you touched on this in your book but what what's your thought on on ego and can it lead to the downfall of a leader?

Jeff 44:57

Yeah, look so you you have to have have a good opinion of yourself to lead again, to the point you and I were just saying, which is, you know, being a good CEO, it's a life of criticism. Everybody says, you know, you make so much money. And that's true, right? There's many reasons not to feel sorry for any CEO. But it's it's really living with criticism, and the only way to weather criticism is to have your own

belief that you're okay. Right. And that's called ego. I would separate that from arrogance, because arrogance is death. Right? You can, you can be a little bit arrogant, egotistical and have a high opinion of yourself, while still not allowing kind of arrogance. In other words, I know that everything I'm doing is perfect, and therefore I don't have to get better. I draw the line there. And that you can never lose the desire to get better to improve to do things that others aren't doing. And so that's where ego gets you in trouble.

Jacob 46:03

One of the other things you talk about in your book is why leaders should never fall in love with an idea. And I think this is something a lot of people struggle with. Can you share why that's so important? Do you have any stories or examples?

Jeff 46:16

Yeah, look, I mean, I in venture capital, you kind of see it every day, which things that look good on a PowerPoint chart, frequently, when you get into, you know, the real elements of how work takes place, they fall apart, I give an example and healthcare, right, one of the most like, if you if you were the healthcare industry, everything looks like a good idea, right? It's just so massive, there's so many technologies that help patients, etc, etc, etc. But unless somebody pays, right, unless an insurance company pays, or the government pays or an employer, an employer pays, it fails, it fails.

Jeff 47:03

So one of the first questions I ask in every healthcare review isn't like, that looks neat, what a great technology. It's who pays, right? And that's, that's where you can see wave after wave of good ideas that frequently fail, you know, COVID, Jacob and advance lots of technology. So today, you think about telehealth, and you say, Oh, my God, that is amazing. And COVID made it but for 20 years, telehealth was a graveyard of investors right, it because nobody paid for it. Nobody offered as a service. Nobody paid for it. But suddenly would COVID hit all the insurance companies said, Oh, you know what? We're gonna pay for telehealth today. So that's the difference between being a good, you know, having a good idea versus being a good business.

Jacob 47:50

What was it like having these regular dinners with CEOs used to have regular dinners with the CEOs of American Express with Johnson and Johnson, IBM, Pepsi, and as I was reading it in the book, it reminded me a lot. Have you ever seen the show The Sopranos are like the mob bosses get together. And they're like, it's an empty restaurant. And it's just like,

Jeff 48:15

Yeah, no it was a little bit like that. So we met at each other's headquarters. And, you know, so IBM, GE, all of us had, you know, kind of kitchens and fancy dining rooms and things like that. And we rotated every quarter, it would be a different time. And it was, you know, usually in the sopranos you're planning how someone's gonna die.

Jacob 48:36

Yeah.

Jeff 48:37

But it was like a Lonely Hearts Club. Right? You would walk in and say, you know, tell me about this person. I'm thinking about them from from for a board member, what do you think? Or how do you compensate your senior leaders? Or what do you think of China or things like that, and you can be completely unplugged. No one was ever showing off for anybody else you could talk about, like things that were, you know, inevitably one of us would be in the barrel, you know, at that time, so like, what were they going through? How could we be helpful? And you just need, you know, you just need people to talk to it's a lonely job. It's a job of criticism. And so, you know, you just need people to talk to

Jacob 49:20

How do you decide who you surround yourself with? Because I think a lot of leaders could benefit from having that kind of an inner circle. So how did you guys specifically get together.

Jeff 49:30

Yeah, no, (inaudible) started. We were both taking over at about the same time, we are geographically close. We just grew to like each other over time. And and I would say, you know, everybody needs to put on their schedule, the ability to see people out of sequence. So I always made it a point to call people or to see people when I didn't need anything. And I think if you're talking to somebody when you don't need a favor, don't need an order. Don't want them to do something. You just Get to know him better. And over time, you find out who you can learn from who you're compatible with. And and that's something that, you know, I always coach CEOs to do that. But I don't see them doing it nearly enough. And, and it's really, it's really essential to build, you know, a hefty dose of connections outside of your company.

Jacob 50:23

When you look back at your time, your career as CEO, what do you think the biggest mistake is that you made during your career? And what did you learn from it?

Jeff 50:32

Oh, gosh, you know, I would say one was not resetting the company right after 9/11. You know, and I think the lesson there is, every now and then, when you're leaving a big organization, you need to allow yourself just profound thought, you know, in other words, we worked on strategy. And we did that, but I'm not sure we were ever really profound enough to say, Okay, this has to change completely, or we can reset completely or we can.... And I just think you get trapped by momentum, and it versus stepping back. So one I would say is, don't get trapped by momentum, allow yourself time to think really profound thoughts.

Jeff 51:17

And the other one was, and I blamed myself, for both these, by the way. Whenever I was around, people I trusted. It didn't matter how bad things were, we did fine. And whatever I let my guard down and allowed people I didn't trust be in a senior position or on the board. Inevitably bad things happened. And, and I now see many companies outside GE, and each one has people you don't trust, you know, it's just, we like to say we're pure, and it's not us, we have a great culture. But I guarantee you, and by

trust, I mean not loyalty. I mean, people that put the company first, right you, the people that I trust were people that put the company ahead of themselves, none of us and and I kicked myself in the ass every day that I let my guard down because all of it had a consequence, as time goes on.

Jacob 52:19

One of the things that I thought was actually pretty interesting in your book, when you talk about mistakes, is you said you wish you would have said I don't know more often? Is there a particular situation that comes to mind or particular story where you wish you would have said I don't know?

Jeff 52:34

Yeah, look in the financial crisis not cutting the dividend was existential. And, you know, I said I wouldn't do it. And what I really should have said is I need to keep watching what's going on, to see how it goes. And, you know, because we were in the early days of the financial crisis, and it just got worse and worse and worse. And and, you know, that's just one example. But I think it's okay, not to fill space. And sometimes, the best answer is just, just I don't know, you know, I looked at the automotive industry. Probably a decade ago, when, when the CEO, GM was asked, What do you think about electric vehicles? She was allowed to say, I know, I don't know, I'm going to study it. Right? And that bought her time today, say, we're going to go all in by 2030, or whatever the right answer is. So you know, sometimes you you, you know, the right answer, but you're at the wrong time. In a way, a good way to buy yourself time is just to say, I don't know.

Jacob 53:50

So I just ask you two more questions before I just have some fun, rapid fire questions for you. And one of them is your process for making decisions. Because I think a lot of leaders, that's one of the things that differentiates differentiates the career, right, I mean, it's what makes them stand out is the decisions they make about their business, their lives. Do you have a process or questions that you ask yourself to be able to make better decisions?

Jeff 54:17

Yeah, look, I think the one thing that's in the book is that how many we had to make and, and, you know, it had to do with the environment and the nature of the company. But I think, you know, like, I like I like to make decisions in a crowded room. I like to have lots of different voices and people around. I always kind of draw kind of like a risk reward in my head. And and think about, okay, you know, when is the decision on the right side of the risk line, from the standpoint of, you know, every decision has good things and bad things associated with it. So I would try to hear the bad things and the good things and try to understand when the good things really outweighed the bad things. And, and so a combination of those, you know, being in a crowded room with lots of voices, and my own kind of mental risk reward equation, somewhat data driven, some of a judgment, you know, go down the list, that would be, you know, kind of how and when we would push the button and make a decision. And then I just didn't dwell on things after I did that, you know, I didn't I didn't dwell on, you know, like, Oh, my god, people are gonna criticize me or this could go wrong, I just kind of marched on and said, we did the best we could with the information we had, we'll live with the consequences.

Jacob 55:44

And last question for you before we get to the rapid fire, and it's the last sentence from your book, and I wanted to get your thoughts on this. And the last sentence of your book is you said, your career is going to have bad days and good days. But believe it or not, you need the bad days, because they make you a better leader. Can you talk about how those bad days, the the tough situations, the tough choices make you a better leader, and why it's so important for everybody who experienced those,

Jeff 56:12

I would say two things as you're never really tested until you have to see things. In their worst time, when you don't know the right answer. When you're in moments of crisis, you learn the most about yourself, and you learn the most about the people around you. So that's one element of the what the bad days bring, I think it also brings perspective, which is, you know, like, like, it's, you take more joy in normal, you know, everybody that's been through COVID, let's say before they went into COVID, they, they thought every day was okay, right? And then COVID hits and things are pure crap for 24 months. And then a normal day is gonna feel joyful. It's just gonna feel joyful. Because you actually know you, you've reset the bar. And I think if people are joyful, on a normal day, you're going to you're going to be more, you're going to be happier with your career, your company's culture is going to be better. People aren't going to be burdened. You know, that's what I you know, that's why I said, what I said.

Jacob 57:29

Alright, now, just a couple, couple fun, rapid fire questions for you. Starting off with what has been your most embarrassing work moment?

Jeff 57:40

Oh gosh, most embarrassing work on when I was a salesman, sales manager, one of my friends called and said that he was jack. Well, she actually had a car, locked up a copy of a stationery and said, Dear Jeff, I'd like to come to dinner in Fairfield. I was two years with the company. And you know, I kind of had my secretary get plane reservations and things like that and said, I want to go see jack welch and everybody who was on the joke thought that was quite funny. Like I said, you know, the office was always one of my favorite shows on on NBC. And things are only funny, because they're true that those, that's when people actually act in field office. But that was probably my most embarrassing work woman

Jacob 58:35

Who's the best band of all time?

Jeff 58:38

You know, I'm a huge Allman Brothers fan. And, you know, my daughter's 34, but she's in the 70s. She's in the 70s rock, just like I am. So I would say, that's my fav.

Jacob 58:53

best book or resource that you recommend for leaders to check out? Not including your book, of course, you know, I'm

Jeff 59:00

a big believer in military history. I'd say, any of the anthologies but Gettysburg, or a guy named Rick Atkinson did a trilogy about World War Two, the first one of the trilogy, you know, because, you know, military battles are kind of a study and failure, like, who fails the least wins the fifth slow for and who pivots the best tends to be successful and Rick Atkinson trilogy. Basically in North Africa, the US Army was terrible. But by the time D day came in, they had better leaders, better training, better everything. So I always think those are valuable for business leaders.

Jacob 59:47

If you could have lunch with anyone alive or dead, who would it be?

Jeff 59:54

Gosh, I would say Joe Biden, you know, in other words, I'd love to pick his brain. And I'd love to offer a few thoughts in a constructive way. You know, I think it's such an important time for the country. And yeah, I would probably probably say that I thought of another embarrassing story. I was in Europe, and I was CEO and giving a speech. And I went to a fancy, you know, like, I grew up without much money, and I went to a fancy shoe store and bought some shoes. And I put them on and I got up to give the speech, I noticed that the shoes were purple. So the old the old European purple shoes, that was a good one as well.

Jacob 1:00:40

I like that. All right. And last two for you. What are you most proud of?

Jeff 1:00:44

Oh, you know, GE was a great global company. I thought we not only won in global markets, but we were a great representative of the United States of our of our company. And the era we were there. I would say nobody did it better than we did in a very important way around the world.

Jacob 1:01:06

And looking back, how do you wish people would think about you remember, you describe you, as the former CEO of GE

Jeff 1:01:17

Loved the company, loved the people, tried his best.

Jacob 1:01:23

And love it. Well, Jeff, where can people go to learn more about you, your book, anything that you want to mention for people to check out?

Jeff 1:01:30

I'd love for people to read the book. I'm pretty active on LinkedIn as well, Jacob, so I'd say those two places. And if you want to start a company, if you have a good idea, let me know.

Jacob Morgan 1:01:42

Yeah, yeah, maybe you should mention what you're doing now in case you

Jeff 1:01:45

Yah, no I'm a partner at NEA. So do a lot of healthcare investing, but really enjoy my time with entrepreneurs and really a very meaningful life.

Jacob 1:01:56

It's funny to go from like CEO such a big global company to working with, you know, scrappy entrepreneurs.

Jeff 1:02:01

It's joyful. It's joyful.

Jacob 1:02:04

Yeah. Yeah. Well, thank you so much.

Jeff 1:02:07

Thanks Jacob

Jacob 1:02:07

Thanks for taking time out of your day. Really appreciate it. My guest again, everybody has been Jeff Immelt, you can check out his book. It's called Hot Seat. What I learned leading a great American company, I had a chance to read it. So many stories, we'd even get to like 90% of the stuff but there's some really awesome stories in there. So make sure to check it out. And I will see all of you next week.