Why GE is giving up employee ratings, abandoning annual reviews and rethinking the role of HQ

I recently sat down with LinkedIn's executive editor Dan Roth and we discussed a number of issues I find important to GE's future: from our transformation into the world's largest digital industrial company to our company's evolving culture that's focused on decentralized decision-making, speed and startup-like mentality.

Dan and I talked a lot about the Industrial Internet and the economic potential of connecting a locomotive or a jet engine to the cloud. The potential is so much bigger than the consumer internet! We can now use software and analytics to unlock the incredible value of machines and increase productivity, something that wasn't available before.

Which brings me to how we will get there - our culture. We may be a century-old company, but we need to move quickly, take risks, fail fast and behave like a startup to keep winning. I joined GE 34 years ago, and until recently our management could make every decision in the headquarters. Those days are over. We have to embrace decentralization and use technology to help our people to stay connected and allow more automated decision-making so you can look at an app and see what's going on inside the company.

But culture is not just apps. It's a combination of people and technology. If you are joining the company in your 20s, unlike when I joined, you're going to learn to code. It doesn't matter whether you are in sales, finance or operations. You may not end up being a programmer, but you will know how to code. We are also changing the plumbing inside the company to connect everyone and make the culture change possible. This is existential and we're committed to this.

Culture and attracting the right talent are also why we are moving from suburban Connecticut to downtown ==Boston==. It's an ecosystem made by and for innovation. In ==Boston==, we can be challenged by a doctor from Massachusetts General or by a student from MIT. We need to be in this environment.

We are also changing the way we evaluate our people. We're trying to end anything that was annual or quarterly and make everything more real-time. We wanted to make the feedback process more like how we give each other advice in the real world. Instead of an annual review, we have an app PD @ GE where our people are getting continuous insights from their colleagues that they can use to get better every day.

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While this might be taken as progress, the emphasis placed upon geography suggests GE's leadership still has "a ways to go" to truly get it. Sooner or later open data standards like StratML (ISO 17469-1) and supporting services will enable those with common and complementary objectives to pursue them far more efficiently and effectively, directly together in peer-to-peer partnerships, than ever before possible -- freed of the artificial constraints of time and place, much less outmoded bureaucratic hierarchies.

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