

Thinking Managers

Robert Heller of www.thinkingmanagers.com looks at the outstanding success one company has had by taking, what some might see as, an unconventional approach to management.

The Nucor Way

Imagine an organisation (Company A) that has not been unionised, pays only basic benefits and whose employees work 12-hour shifts for the lowest starting pay in its industry. Clearly, this is a tough, no-nonsense company and the low staff turnover of 2% must surely result from local pressures. Not a particularly attractive place to work, you might think.

Company B, meanwhile, has no edicts, no budgets, no human resources managers, no task forces, no management reports, no performance reviews, no disciplinary procedure, no training days and no paper trails.

Obviously, this a high-nonsense company, maybe from Silicon Valley, which has an experimental approach to business and has scant regard for the staples of well-organised company management. Perhaps it is riding on the crest of a wave but nothing like Company C.

At Company C has there has been a decade of high-powered growth. According to Fortune magazine, between 1996 and 2006 the earnings per share went up by 23.2% annually, giving investors a total return of 17.5% pa. So this company must be the pick of the bunch, you must think.

In reality, A, B and C are one and the same company: Nucor, which is now the biggest steel producer in the US, with highly productive mini-mills in 17 states.

CEO Dan DiMicco has a simple theory on company management:

“Hire the right people, give them the resources and tools, and get the hell out of the way.”

Nucor people are guided by clear rules and learn how to run a steel business the Nucor way on an ongoing basis.

There are only five rules, but they are impeccable both for top company management and the people on the shopfloor:

- ➔ Know the job
- ➔ Ask questions and experiment
- ➔ Share what you learn
- ➔ Do what it takes to be sure something goes wrong only once
- ➔ Let us know how we can help

Nucor stands out for giving power to its people. However, there must be a source to the power: one man's empowerment is another's loss of loved authority. Accepting this means waving goodbye to hierarchy and command-and-control management.

About the author: Robert Heller is one of the world's best selling authors on business management.

