

THE LINCOLN ELECTRIC COMPANY

Prepared by : Kathleen Kenning, Ellis Chan, Jim Goren, Donna Lee,
Stephen Anson-Cartwright, Amy Leung, Nick Demos, Geoff Harrison

A) Assessment-strengths and weaknesses

Strengths:

- common philosophy, purpose and commitment
- equity promotion
- no unions
- lower turnover rate and guaranteed employment
- strong sales force, deep and wide knowledge of the product
- pleasant working environment due to shared beliefs and switching jobs

Weaknesses:

- inside vs outside training, lack of different ideas, opinions and so on
- inflexibility towards change, new situations and competitive demands
- hiring no outsiders
- no well defined lines of authority
- mechanistic but no bureaucratic structure

B) Issues

- is the market will continue to permit them to operate as before
- how strong and deep the external environment will affect the culture
- during a long recession, will the company reward competence effectively, will the employees' image be destroyed
- is the rotation of workers around different tasks and jobs efficient and effective or is it creating x-inefficiencies

C) Recommendations

- the company should have a contingency plan, since compensation policies drive and sustain culture and no other alternative exists
- they should train experts but they should also hire external adepts and veterans so to create diversity
- complexity of manufacturing will require more specialization of labour and the company should look into this
- this new technology and new methods will require to perpetuate commitment and competence by attracting and developing and keeping the right people, who share the same or similar dreams, values, ambitions.