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Nucor's business is not new and sexy. In fact it is as rust belt as it comes: melt down scrap steel to make new steel. What's amazing about Nucor is not the business they are in [more info](#) but their results.

How does 387% return to shareholders over the past five years sound? That's better than Amazon, Starbucks and eBay. Since the 1980's it has grown into the largest steel company in the U.S. In 2005 it did \$12.7 billion in sales, up from \$4.6 billion in 2000. Income was \$1.3 billion up from \$311 million in 2000.

Their secret? This radical insight from their legendary leader F. Kenneth Iversen: employees, even hourly clock-punchers, will make an extraordinary effort if you reward them richly, treat them with respect, and give them real power. Sounds like something we in the service industry might be able to learn from.

From a recent article by BusinessWeek:

"At Nucor the art of motivation is about an unblinking focus on the people on the front line of the business. It's about talking to them, listening to them, taking a risk on their ideas, and accepting the occasional failure."

Lot's of people talk about empowering employees and paying for performance, at Nucor it's not just talk. Base hourly pay at Nucor is around \$10 an hour compared to other companies that average \$16 to \$21. But a bonus tied to the production of defect-free steel made by the worker's shift can triple the average to \$30 at Nucor. Bad work is also penalized. If a bad batch is caught before it leaves the plant the shift loses the bonus on that batch. If the defect doesn't get caught till it gets to the customer, they lose three times that amount.

Thinking this plan will only work with certain employees? Nucor has applied it at several acquired sites with tremendous success. They don't force new employees to switch immediately to their new pay system, they just start posting what the employee would have made. It doesn't take long for employees **my-springer-spaniel.com/** to demand the switch even as production at the facilities goes up.

That's just one side of how Nucor runs its business. They also listen and take risks on employee suggestions, this is not a command and control kind of place. This [click here](#)

is a place where people are passionately working together, being rewarded for their successes and feeling the responsibilities of failure. Natural consequences.

Managers are in **pse-org.uk/** the same compensation boat. The shift, plant, or company [Buinesss](#) does well and they get bonuses to compensate for their lower than industry standard salary. If things don't go well then they feel the pinch.

It all makes sense and this company is certainly has the Midas touch.