

# ■ The Soft Side of a Steel Company

*In a tough, unforgiving industry, Ken Iverson achieved remarkable success by bringing out the best in people*

by Tom Terez

On a steamy summer afternoon in 1988, I was driving the streets of Charlotte, North Carolina, trying to find the Nucor corporate headquarters. I had written down the address and double-checked the directions – the last thing I wanted was to be late for my meeting with then-CEO F. Kenneth Iverson. But when I pulled up to the building, things just didn't seem right. I expected fancy digs with a big sign – something befitting the home office of a major steel company. What I saw was a nondescript, four-story building plopped amid other nondescript buildings, strip malls, and a few fast-food joints.

I parked and entered the building, still skeptical. Then I saw a small front desk with a Nucor sign. So this is their headquarters! I thought. Maybe all this talk about a down-to-earth company really is true.

At the time of my visit, I was 25 years old and working on a big research project on change management. Nucor had recently purchased a bearings manufacturer, and most of my research questions had to do with the challenge of bringing a new and very different culture to a tradition-laden organization. Ken Iverson could have had an assistant's assistant show me around and provide a few canned answers, but he took the time to welcome me, give me an office tour, and respond thoughtfully to all my questions.

By day's end, I had an insider's look into a remarkable company and a deep respect for Ken Iverson and the Nucor way. As the years unfolded, I heard more about him and his empowering, egalitarian, employee-focused approach. Nucor pioneered the concept of minimills, and combining this with a penchant for finding and filling lucrative niches, the company became a financial powerhouse.

Mr. Iverson passed away in April at age 76, but he left behind a legacy of proof that a great work-

---

**He left behind a legacy of proof that a great workplace is great for business.**

---

place is great for business. While profits fell last year by 63%, pushed down by the downturn in the economy and a rise in cheap imports, the company still had net earnings of \$113 million – a stellar performance in a tough year that saw most integrated companies losing big bucks. The company is the largest steel producer in the U.S., with over \$4.5 billion in annual sales.

---

Copyright © 2002 by Tom Terez. All rights reserved.

Permission is required to reprint this article or an excerpt in a newsletter, magazine, e-letter, or other publication; post it to a Web site or intranet; and/or include this article or an excerpt in materials for a workshop, presentation, or other training-type session.

To request reprint permission, go to <http://www.BetterWorkplaceNow.com/reprint/>

To contact the author, write to [Tom@BetterWorkplaceNow.com](mailto:Tom@BetterWorkplaceNow.com), or call 614-571-9529.

Tom Terez  
**WORKPLACE  
SOLUTIONS** inc.  
BetterWorkplaceNow™.com

## ■ The Soft Side of a Steel Company *continued*

There's no easy formula or program to achieve Nucor's level of success. Here are the principles they steadily pursue:

### **Turn everyone into a decision-maker**

The company consists of very decentralized business units, and the managers run their operations with minimal meddling from the home office. On the operations floor, production workers, engineers, maintenance staff, and others routinely make decisions that shape how work gets done. With goals and measures well understood by all, the effort stays on track.

### **Minimize the layers**

Mr. Iverson's straight-talking, no-frills style shows up in the company's management structure. The small corporate headquarters I visited in 1988 hasn't changed much at all. About 50 people make up the staff there, and in most cases, there are no more than four management layers between the CEO and the front-line worker. This for a company with some 8,000 workers.

### **Treat people as equals**

While many companies lavish their senior executives with corporate jets, country club membership, free cars, special parking, and other perks, Nucor is a company of equals. The same benefits and policies apply equally to everyone. All executives fly coach, and when people from different levels get together, the conversation is wide open.

### **Encourage and reward innovation**

Nucor has always led the way with new technologies. In fact, by adopting minimill technology when everyone was still thinking big, the company gained an efficiency edge that's still paying off. These in-

novations are the sum of thousands of small inventions emerging from everyone in the workplace. People are urged to try new methods, learn from their failed efforts, and leverage their successes. As a part of this, the company's bonus system lets employees share in the wealth when they've improved return on assets and other key measures.

Back in 1965, things couldn't have been more different. Then called Nuclear Corp. of America, the company was looking down the barrel of bankruptcy. That's when Ken Iverson, then 39 years old, was appointed president.

He got busy bringing about change – even ending the tradition of different-colored hard hats, which had become a status symbol that widened the divide between functional areas. In an *Industry Week* article (June 8, 1998), he recalled the reaction: "I got all kinds of flack from our foremen. They said, 'You can't do that!' So we held training programs to explain that their authority didn't come from the color of the hat that they wore."

As people learned and adjusted, so did Mr. Iverson, even when it required him to set aside his ego. For instance, the simple change to green-only hard hats was causing confusion. "In an emergency," he said in 1998, "you have to be able to spot the maintenance people quickly. So we changed the policy, which now requires everyone to wear green hats except for maintenance people, who wear yellow, and visitors, who wear white hats."

The company is under new leadership now, with Daniel DiMicco serving as CEO, vice chairman, and president. But the company remains remarkably similar to the place I visited in 1988, right down to their minimalist headquarters at 2100 Rexford Road in Charlotte.

## ■ The Soft Side of a Steel Company *continued*

In a recent article, Mr. DiMicco summed up what makes the company a year-after-year success: “We are low-cost focused, highly efficient, and our culture actually works to bring out the best in people.”

Nucor’s products couldn’t be more inanimate: cold drawn steel bars, hot rolled sheet steel, carbon steel beams, galvanized sheet metal. But for employees and investors, it’s the focus on people that most benefits work lives and the bottom line.

### ABOUT THE AUTHOR

Tom Terez is a speaker, workshop leader, and author of *22 Keys to Creating a Meaningful Workplace*. His Web site, [BetterWorkplaceNow.com](http://BetterWorkplaceNow.com), is filled with tools for building a great work environment. Write to [Tom@BetterWorkplaceNow.com](mailto:Tom@BetterWorkplaceNow.com) or call 614-571-9529.

Copyright 2002 by Tom Terez

## If you liked this article...

Explore **BetterWorkplaceNow.com**. You’ll find a wealth of ideas and tools for bringing out the best in people at work. And with Bronze Key Access, you can download copies of this article and many others, including a two-pager that describes the 22 Keys. Simply go to [BetterWorkplaceNow.com](http://BetterWorkplaceNow.com) and click on the “Bronze Key” prompt.

Get a copy of the book *22 Keys to Creating a Meaningful Workplace* by Tom Terez. Go to [BetterWorkplaceNow.com/resources/](http://BetterWorkplaceNow.com/resources/) for details and online ordering.

Sign up for the **Better Workplace Now** e-letter. Each free biweekly issue is full of insight, inspiration, and humor. Send your e-mail address to [subscribe@BetterWorkplaceNow.com](mailto:subscribe@BetterWorkplaceNow.com).

Visit [BetterWorkplaceNow.com/programs/](http://BetterWorkplaceNow.com/programs/) for info about **keynotes** and **workshops**.



P.O. Box 21444, Columbus, Ohio 43221-0444  
614-571-9529, [mail@BetterWorkplaceNow.com](mailto:mail@BetterWorkplaceNow.com)

**BetterWorkplaceNow.com**