

The lincoln electric company

[Business](#), [Company](#)



Headquartered in Euclid, Ohio, a suburb of Cleveland, The Lincoln Electric Company is a world leader in welding and cutting products, as well as a premier manufacturer of electric motors. The company is well known for its dedicated, talented workforce and its superior technology. Lincoln Electric Company gives its customers total solutions along with a commitment to quality. Lincoln Electric Company is also well known for its incentive management system. Many companies strive to duplicate the success that Lincoln has enjoyed over the years.

John C. Lincoln founded Lincoln Electric Company in 1895 with a capital investment of \$200. At first he only designed electric motors, but in 1909, he began to build welding machines. In 1914, he hired his brother James to be the VP and manager of his company.

In 1934, the famous Lincoln bonus plan was instated as employees enjoyed bonuses of 25% of their base pay. By 1940, Lincoln employees enjoyed two times the average pay and productivity of similar Cleveland workers.

Lincoln has built a very profitable company. This by way of treating all of its stakeholders with the utmost importance. Lincoln always kept its prices very fair, if not too fair for the customers. In many cases, the price of an item or service provided by Lincoln had gone down over the years. At the same time, employee" s salaries actually went up. This is just one example why Lincoln has flourished.

Why are the employees at Lincoln Electric Company so pleased as well as so productive? Why were Lincoln employees willing to work overtime during an

August vacation time in 1994? The following benefits are some of the main reasons why Lincoln employees will do almost anything to help its employer:

an employee stock purchase plan

company-paid life insurance

piece rates adjusted for inflation

a practice of lifetime employment

Since its inception in 1895, Lincoln Electric Company was privately owned. This allowed for the protection of the processes that has kept Lincoln in the lead. However, after two years of losses in 1992 and 1993 due to a harsh foreign market, Lincoln Electric Company had to go public.

With multi-million dollar, domestic updates and acquisitions in such countries as Italy, China, and Indonesia, Lincoln Electric Company wasted no time by dwelling on its first losses in Lincoln" s history. Lincoln is back on track as the world leader in arc welding, after faltering for only two years. Lincoln is committed to providing substantial value to all of its stakeholders.

Very satisfied, dedicated and talented employees

Incentive performance system

Customer" s interests were held as more important than the stockholder" s

Low prices kept customers pleased

Exceptional quality (one Lincoln distributor said he sold hundreds of Lincoln welders without even one return)

Good relationships with unions

Lincoln would guarantee a price quote in writing

Having to go public after nearly 100 years

The incentive pay scheme needs some updates

Try to regain the its long-time standing as a privately owned company

Stockholders could threaten with the need for a traditional pay scheme and this could interfere with the excellent relationship that Lincoln Electric has with its employees

There is really nothing that Lincoln Electric Company can do that has not already been done. Lincoln Electric Company never had a loss until it" s over sea operations began to suffer in 1992. During the global organization, Lincoln" s employees voluntarily postponed their vacations in order to meet customer demand. Sales records have been set for every quarter since mid 1993. The only area that I see that could be changed is the way that the employees are compensated.