

Andrew Carnegie (u.s. steel originally Carnegie Steel)

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There is no denying the fact that the unique management style of Andrew Carnegie was pivotal in the success of the US Steel.

As in the initial stages of his career Andrew Carnegie worked for the Pennsylvania Railroad, the management acumen of Carnegie stood in identifying the fact that the future locomotive, rail and bridge manufacturing operations will require steel (Krass, 2002, p. 115). So he aptly responded to this potential demand by starting the US Steel.

To start with Carnegie focused on making improvements in his steel manufacturing operations. His panache for innovation started with the introduction of Bessemer convertors in his steel manufacturing operations and by investing in Siemens gas furnaces (Wren, 1998). These innovations allowed him to manufacture steel of better quality at a lower cost as compared to his competitors (Wren, 1998). During this phase the management approach of Carnegie was aggressive and Darwinian, aimed at derailing his competitors in business. To facilitate this innovation, Carnegie struck partnerships with the talented people who understood technology (Wren, 1998).

As his operations expanded, Carnegie opted for an integrated approach towards his steel manufacturing operations by investing or taking over companies that supplied the raw materials to the US Steel (Wren, 1998). This management approach allowed Carnegie to profit from each and every step involved in the manufacturing of steel.

As his business progressed, Carnegie's thrust for continual improvement recognized a need for information systems and management styles that allowed him to calculate costs on successive operations associated with steel manufacturing. Hence, he adopted a new system and management approach that allowed him to have a thorough knowledge of the costs, which enabled him to bid successfully while seeking contracts (Wren, 1998). Hence, the acumen of Carnegie's management approach stood in identifying demand, opting for new technologies that cut the cost of manufacturing and having a thorough insight into the cost of manufacturing steel.

References

Krass, P. (2002). Carnegie. New York: Wiley.

Wren, D. A. (1998). Business Leaders: A Historical Sketch of Andrew Carnegie. *Journal of Leadership Studies*, 5(4), 106-108.