

# Read and answer question

[Business](#), [Management](#)



Lincoln Electric Case study Does Lincoln follow the hierarchical system or decentralization approach to management? Explain your answer and give examples.

The Lincoln management system uses the hierarchical system. From the case study explanation, the organization is divided into different departments, in which each one has its own role to perform. For an organization to be in a hierarchical manner, it has to be organized into different levels. For one to work in a certain level, one should have certain qualification. From the case study, it is clear that there is the executive, the middle class, and the production workers. Each of the individual has to perform his work depending on the skill that he possesses. The evidence is from the text where employees are recruited from high school and are trained. Due to the performance, others get promotions.

2. Based on what you've just read, what do you think makes the Lincoln system so successful in the United States?

The organization has succeeded mainly due to its structure. Each section of the organization has to work to the optimum to maximize the production. There is a well-set communication system, where employees are able to air their grievances and get the appropriate feedback. The piece rate system can also contribute to more production. Here, the workers are paid based on their input. Therefore, they work harder in order to get more money, and in the process, the company enjoys increased productivity.

3. What is the problem of transporting of Lincoln's control system to other cultures? What suggestion could you make to Lincoln's managers to increase the future international manufacturing plants more successful?

There is a problem of transporting Lincoln's idea to other national cultures, as the people are not used to the piece rate system. Most of the companies pay their employees according to the number of days that they have worked. Others find it difficult to give bonuses because they view it as a way in which the company makes losses.

4. Should Lincoln borrow money to pay bonuses to avoid breaking trust with its U. S workers? Why? Or Why not?

The idea of borrowing money to pay their workers is not a good idea. This is because as you borrow in the end, there is a need to pay back the money. Therefore, what they should employ is the piece rate system in the US, as the workers will struggle to work harder in to get more salary, enabling the organization to grow further hence reducing loss margins.