



## VINCENT J. PONGIA • *ASSOCIATION OF IRON AND STEEL ENGINEERS*

**VINCENT J. PONGIA**, Vice President—Operations, CitiSteel USA, Inc., Claymont, Del., received a B.S. degree in engineering from Villanova University in 1958, and did graduate work at the University of Pennsylvania. He has held responsible engineering, maintenance, operating and top level management positions at Lukens, Copperweld, Phoenix and Haynes International. He has authored several technical papers and won an AISE Kelly Award for a continuous casting paper in 1972. He assumed his present position in Nov. 1988 and is a registered professional engineer in several states.

### President's Message 1989

For 1989, the Association has selected the theme, "Technology for the Rebounding Steel Industry." Technology is an important consideration for the industry and the AISE today, as it was in the past. Our Association was founded in 1907 to cope with the technological problems facing an emerging industry. The open hearth process was relatively new and rapidly being implemented, and steam was the principal motive power. Little was known

about electrical power and its potential as an energy source. Recognizing a need for a central forum to discuss associated technical problems and concepts, a small band of forward thinking engineers founded the AISE. Since its inception, the Association has witnessed many developments, and sponsored and improved many more. Significant breakthroughs included basic oxygen steelmaking, electric arc furnaces, continuous casting, continuous strip mills, secondary refining, metallic coating operations and integrated process control. Much concentrated engineering effort was required to take these processes from the laboratory through the pilot plant stage to a full-scale efficient operation. Much of the work was done by our members.

Today, the industry is faced with a new problem—global competition. Many offshore producers have become more innovative, efficient and responsive to customer needs. The focus in manufacturing quality products, once headed largely by technical types, has given way to nontechnical types. Too often, the priority has been quick return at the expense of long-term investment. It is interesting to note, for example, that the Japanese have spent as high as 21% of their GNP for investments while we in the U.S. account for only 12%. Nevertheless, what are the challenges and lessons being learned from this global competition? There are many.

First, our awareness of improving labor relations has been sharply attuned. Check any first rate concerned manager's objectives and you will find, "To establish a nonadversarial, working together, committee attitude with hourly employees." Traditional adversarial management has given way to cooperative, information sharing, participative management, and in many instances, with the ultimate aim of establishing self-managed work teams. Labor is not only seeking guaranteed employment with management's help, but it is also willing to contribute monetarily to assure a company's financial integrity

and staying power. Interpersonal and cross-technical training enhancing the use of job flexibility are becoming a way of life. Self-managed work teams comprising an integrated multiplicity of skills have joined with management for a purpose that transcends loyalty to company or labor. It is to serve the needs of the customer. The realization is that we are in a globally competitive survival situation and attitudes and policies are carefully being examined. The fact that both management and labor are working together to serve the customer has been driven home by this realization, and anomalously, has become a unifying bond.

Another lesson is that we are now producing the quality the customer wants and not just selling steel as produced. Using recent techniques and philosophies, the Japanese have become so adept at quality that almost every major steel company in North America has established technology trade agreements with them. The most important impact on our industry in recent years is the necessity to improve quality or die as imposed by the worldwide market. The need for lower cost and better quality has forced those companies with vision to incorporate quality into their process design to render it routine and expected. The fight for survival has enabled the steel industry to abandon "inspecting quality in" for a policy of "producing quality by design." This is being achieved by embracing current quality concepts, which simply stated are: design the process to produce routine quality; use statistical sampling and methods; quality levels to make a company stand out; and meet customer's quality requirements.

Returning to labor, involve the workers in solving quality problems with the objective of self-inspection.

Is there anything new in participative management or the focus on quality? Not really. Consider that our forefathers pitched in to raise a barn. Were they not the forerunners of today's self-managed work teams? Certainly, it was participa



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tive management. Also, remember that many of the old mill operators walked around with an oil can and grease rag checking to be sure the mill was operating properly and producing a quality product. They took pride in their work. No, these are not new lessons, but merely a renaissance of what initially made America great.

Our Association must continue its commitment to operators and dedication to serve the steel industry. Horizons need to be expanded. This involves not only dealing with technical problems but also with people.

This human resource of engineering has unlimited potential and deserves more attention. Papers and research dealing with employee relations and improved quality are as much in our interest as are those dealing with the technical equipment problems leading to continuous steelmaking. Subjects such as the development of self-managed work teams, just in time (JIT) and total quality control (TQC) should be nurtured. Management cannot promote quality and customer service without employee participation.

I am delighted and honored to serve as your President. Our theme, as pointed out earlier, is "Technology for the Rebounding Steel Industry." It can be achieved by comprehensively addressing the contemporary issues. Thus, we will remain a dynamic organization augmenting and leading our industry in producing a product that is competitive in price, high in quality and satisfies our customer demands in a global market.

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