



Sept. 25, 2017 Podcast Transcript

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Announcer: Welcome to HII Talking Points, a Huntington Ingalls Industries podcast. Twice a quarter we'll sit down with HII leaders to discuss topics of interest in our company and industry.

Interviewer: My name is Phoebe Doty, and today I'm talking with HII president and CEO, Mike Petters, about workforce development. Mr. Petters, thanks for joining us.

Mike Petters: Thanks for having me again.

Interviewer: Now, workforce development is a topic that is vital for HII's continued success and it's one that you've addressed on many occasions. Today, I want to dive deeper into what workforce development means to you and to HII as a company. So let's get started. Workforce development is such a broad topic and so is HII's stake in it. So I thought we could start today by breaking it down a little bit. What do we do internally to develop HII's current workforce and what do we do externally to develop our future workforce?

Mike Petters: Wow. That really breaks it down. I think the first thing you get to realize about this business is that for the most part, people in most of our business don't come to us completely trained and qualified to do the work that we do. There's no shipbuilding degree out there that you can go and get and present at our HR office and say –

Interviewer: Right.

Mike Petters: "Okay, I'm ready to be a shipbuilder," and even in our Technical Solutions Group, where we are always moving people in and out of those organizations, there's a real need for people to come in and understand how that particular aspect of that business works. And so in my mind, at the first level, workforce development is about taking someone who wants to do their best work and giving them the kind of tools that they need, the training, the support that they need so that they can do their best work on behalf of the company.

Now, that takes lots of forms, and it takes lots of forms in lots of our businesses, but that's whether you're talking about our apprentice programs, or our craft training programs, or our intern programs, or any number of on-the-job training programs that we have, and literally we have thousands of those people every day, involved in programs like that, and we spend tens of millions of dollars a year on those kinds of programs. All of those really are about bringing people from

outside of the organization into the organization and giving them the tools that they need, the support that they need, the knowledge that they need so that they have a chance to do their very best work, and if we can do that, then we're being very successful at workforce development.

Interviewer: When you've talked about workforce development in the past, you've made it clear that it's not a challenge just for government to solve. Businesses have to have a role in it as well. Do you think that other businesses are getting that message?

Mike Petters: I think that depends. What I have seen is that first of all, workforce development from a public policy perspective is really a state issue. I mean there's three or four dozen Federal programs spread out across about a dozen Federal agencies. They're really hard to get involved with. They're just not worth the effort for most companies like ours, but the state programs are very, very valuable to us because you can partner with the community colleges. You can do things locally in your high schools that make workforce development seamless to – you know, that whole process becomes seamless to your operation.

What I have seen is I've seen, at the state level, I've seen other companies who on the one hand will talk about the need for a workforce development and the improvement in workforce development and those kinds of things, but on the other hand, they kind of sit at the end of the pipeline of workforce development and they just wait for the product to come out and then they're not happy with the product. And my view is that the more you engage in that product upstream, the better chance you have to get a product that is actually useful to you and that you can go and put to good use at the very beginning.

So I continue to talk to other executives about get more involved in this. Be part of the workforce investment boards. Go get involved with your local community colleges. Get involved in the local high schools and do the things that you need to do. Now, that's one kind of discussion you can have for large companies like us. If you're a small company and you're trying to find a specific skill set, that can be really challenging, because you don't have the resources to go make that kind of investment, but that's not really the folks I'm talking about. I mean the guys that I talk about getting involved are the other businesses that have the means and the resources and the demand. The more involved they get, the more investment they make, and the better their return's going to be.

Interviewer: How does diversity and inclusion factor into workforce development?

Mike Petters: Wow, in just about every dimension of it. There's a piece of it that says, "Because diversity and inclusion is part of our value set, we're going to make sure that people that come in are going to be supportive of that, and that they understand that, and that's going to be part and parcel to their success." I think beyond that, I think that sometimes people don't feel empowered because they don't feel trained, you know?

And if our mantra is we're going to ensure that we have a climate where our least empowered people are confidently contributing, well, there's a lot of reasons not to be empowered, and one of

them is you might not think that you're qualified. And so having a program that's going to give you a sense that you're qualified for this, we need your contribution. You can kind of take that off the table, and that's another way to empower people, and so that's kind of the way that I see that working. Part of it will be communicating our values and what we care about, but part of it is going to be let's remove an obstacle for folks to contribute.

Interviewer: So those training programs are more helpful in more ways than one then?

Mike Petters: Oh, yeah. I mean the training programs are a way of communicating to the organization what you care about.

Interviewer: So earlier you mentioned community college, apprentice programs. Generations of Americans have been raised to think that college is the main key to success, if not the only key in some cases. Do you see that changing now?

Mike Petters: Well, there's a lot more talk about that may be changing. I think that in the mindset of a lot of people it still is the key, but in our particular case, 90 percent of the people that we'll hire over the next five years or so don't require a college degree. They need motivation. They need inspiration. They need perspiration. They need to be willing to come and be willing to do some hard work and want to do it, and if that's what you're willing to do, is come and do some hard stuff, we probably are going to have a place for you.

So that, to me, there is a lot of talk, and a lot of the talk around the college thing is a little bit around the cost of college now has gotten to be so expensive and the society is changing where it's not always evident that if you have a college degree, you actually have a place to work, you know? And people that do things with their hands, there's a demand for people who will be doing things with their – there's kind of a steady demand for that. So I think people are recognizing that there's a mix in our society that's required. I guess, and if you think about where we're going in the future, what's going to be really determinant in any person's success is going to be less about do you have a college degree.

Do you have an associate's degree? Do you have a high school diploma? Where do you fit in that structure? I mean that's still going to be important, but I think really the key driver in your career, as far as success goes, is going to be, do you have a love of learning? I mean if you love learning, no matter where you come from, if you love learning, you're going to be well set up for this century because I promise you, if you're joining the workforce today, your job will change fundamentally several times during your career, even if you happen to stay at the same company for the whole time.

So if you haven't fostered that love of learning and that curiosity that comes with that, you could fall by the wayside. But on the other hand, if you're really curious, and you love learning, and you're willing to take on a chance of something new, and you're willing, and we're going to be willing to try to help you make that transition and train you for something new, then you're going to have a very

successful career. And you're going to love every minute of it, so to me, the love of learning is going to be a lot more determinant in someone's success than whatever diploma they might have.

Interviewer: Right. Speaking of love of learning, and we mentioned earlier the early stages of the workforce pipeline. You've said that early childhood education in America is a national security issue. What did you mean by that?

Mike Petters: Well, you're right. I have said that, and I do mean that. If you think about the pipeline of creating an employee as starting in our kindergartens and our pre-kindergarten school classrooms and it goes through all of our schools, it goes through all those summer jobs that people have, all those internships. It goes through college. If you think about that as the pipeline, the reason that people are spending so much money on workforce development these days is because they are not getting out of the pipeline what they need and they're trying to fix it. They're trying to fix whatever they're missing.

If they're hiring mathematicians but they don't have math backgrounds and they're trying to train them to do math. I mean that's, in some ways, a little bit of where workforce development is. I mean 20, 30, 40 years ago we had shop classes in high school. We don't have that anymore, so if you're going to be a craftsman, where do you even get to see what being a craftsman is like in the pipeline? And so workforce development is kind of at the very end of the pipeline, saying, "Okay, well, we're going to try to help you foster a love of learning and see what you can do." Early childhood, in my view, is at the very beginning of the pipeline, and if there is anything that I've learned from shipbuilding, it is that the earlier you do it, the more efficiently you can do it.

It's cheaper to do it in the shop than it is to do it on the ship, and so if you want to create a love of learning for someone, it's a whole lot easier, I think, to try to do that when they're 3 and 4 and 5 years old than it is when they are 18, 19, 20, and they've got 15 years of experience where maybe they didn't love learning. Now you've got a lot to overcome there. So the idea of getting involved in early childhood is to give these kids a real chance to foster their own love of learning, to be customers of their own education as they go through the pipeline, to give them their best chance to set up for success when they finally get to the job market.

I think we have a responsibility to do that given the horizon of our business and the long term nature of what we do, but I'm not under any illusions that some of the kids that go to preschool today are going to end up being employees of HII in 20 years, but a couple of them might. But you know if all of them go on to be very productive citizens in this country, and we continue to be a partner with this country and its security issues, then that's going to be really important, and that'll be good enough for us.

Interviewer: You've declined all but one dollar of your salary for the past two years to fund 178 scholarships for children of HII employees. Why is that important to you?

Mike Petters: Well, I think we just talked about that. I mean, first of all, this is not about me. This is about the stories that these kids are going to have as – in a way, we can foster and encourage and fertilize and grow their own love of learning, and you know, to the extent that we can do that, we have a chance to build a better society. There's a lot of things in our society today that can cause folks to despair, and I guess my personal view is that there are a lot of ways to combat that, but education happens to be one of the ways, you know, that if you're in a place where there's a lot of despair and you have a chance to go and build your education and start to love learning, you might have a chance to break that cycle and move on.

You might have a chance. It may not be something that affects you, but your love of learning may be something that you can bring to somebody else to help them break their cycle. And so to me, there's no downside in any of this, and it's all an investment in our future as a society and in the future of these kids and in the future of our company.

Interviewer: Now, you met recently with some students at Ingalls and their family scholarship recipients, and you're going to meet with some at Newport News.

Mike Petters: Right.

Interviewer: How was that experience and –

Mike Petters: Well, I mean, that's really cool. I mean, these kids, you know the ones that are going into college, or junior college, or community college, they already have a love of learning, and they have some direction in where they're going to go, and it's just exciting. It's energizing to be around kids, and frankly, I'm envious of them. They're starting out on a path that, gosh, if I knew then what I know now, it would be a whole lot more fun path to go down. As much as I've enjoyed my path, they would be so much more fun to go do it again. So I have some vicarious pleasure in all that, and meeting their parents, and hearing the things that they want to go off and do, you know. It's also kind of humbling because I recognize that I'm just not that smart. I mean you've got biomedical engineers and all that kind of stuff happening.

Interviewer: Right.

Mike Petters: But then meeting the pre-K kids, that is really cool, because my wife teaches preschool, and she could do my job. I know that I could not do her job, and so that is always interesting to me, to be around those little kids, and to see the differences in their personalities, the things that they've picked up from their parents, the things that the – you know, how important their development is. It is just such an impressionable time for them, and to be able to have even a minor impact in the trajectory of their lives is just incredibly rewarding, and I think the whole corporation should take some pride in the fact that we're involved in stuff like that, because it's just unique, and I think we should continue to foster that and support it and feel good about it.

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Interviewer: Perfect. Well, on that uplifting note, thank you for sharing your thoughts with us today.

Mike Petters: You bet. Thanks. Good to see you again.

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Announcer: Thanks for listening to HII Talking Points. This podcast was produced by Huntington Ingalls Industries' corporate communications team. We welcome your feedback and ideas for future podcasts at <http://www.huntingtoningalls.com/podcast>.

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