



## Feb. 20, 2018 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 about company and industry.

**Interviewer:** My name is Phoebe Richards, and today I'm speaking with HII President and CEO Mike Petters about living HII's values. Happy New Year, Mr. Petters, and thanks for joining me again. So, with the start of a new year, it's a good time for all of us to reflect on what's expected to us as HII employees, no matter where we clock in today.

So, our Company Values are Integrity, Safety, Honesty, Engagement, Responsibility and Performance. Today I'd like to discuss a few of those values and how you define them. So, let's begin with a broad look at our Company Values. What are your expectations for leaders and individual contributors in terms of those values?

**Mike Petters:** Well, I think the first fundamental understanding that leaders in this organization should have is that they are representative of all the rest of us as leaders. When you are in front of a customer or you're in front of an employee or you're just out in the community, people know that you are a leader at HII. And so, they're watching to see how you act. And if you behave in ways that are inconsistent with the values that we have, they will see that right away.

The gap between what you say you are and what you do, that's—the more narrow that gap is, the more credibility you will have, and the more credibility we will have. And so, wherever there's a wide gap where you say one thing and do something else, we all know people like that, and we don't believe them. We don't trust them. And so, that, to me, is the number one thing for leaders to understand is that this is—this leadership thing in this 21<sup>st</sup> century is not a show up at work and leave and go home and not lead.

**Interviewer:** Right.

**Mike Petters:** Now, we are all on the clock all the time and it's a 24-hour-a-day, seven-day-a-week challenge.

**Interviewer:** So, as employees, are we ever considered off-duty living our values?

**Mike Petters:** No. No, we can't. I mean you know there are so many ways that not only will people see you but they can actually record you. Right? And we see the news every night where people are videoed or photographed behaving in ways that are inconsistent with who they say they are. And I think that a standard for us is that we're going to act in accordance with the values we describe. We're going to walk the talk.

**Interviewer:** So, speaking of walk the talk, let's focus on the value of integrity for a bit. What does integrity mean to you?

**Mike Petters:** Well, for me, integrity means doing the right thing all the time. It is with backbone and confidence and trust that doing the right thing will be recognized, even if it makes people uncomfortable or that people will have disagreements about that. You will have credibility because you're doing the right thing and that that will stand for something.

It shows up in the way that people can raise their hand and say hey we need to—before we go forward with this process, we need to rethink it because we're missing something.

It shows up in safety. When you see something that's unsafe, you can stop it, even if it's not in your area of responsibility or expertise. It shows up in something as simple as cleanliness. If you see trash blowing across the facility, pick it up. If you tell people that we believe in a clean facility but then you walk by trash, people will see that your actions don't match.

And so, to me that's—there has to be—integrity is about doing the right thing and having confidence that by doing the right thing that that's what the institution wants you to do.

Sometimes you're going to feel like doing the right thing is inconsistent, but for me, believe me, doing the right thing is absolutely consistent with what we want to do as a group and as an institution.

**Interviewer:** So, another one of our values is responsibility. In your opinion, what are the attributes of a responsible employee? And they may tie back into integrity.

**Mike Petters:** Yeah, I mean the thing about these values is that they're, in general, they're kind of discrete words. But the—it's really a broader discussion than that, and there's a lot of overlap between them. The responsible employee actually understands that there is not really an us and them. It's all we. We kind of go through life sometimes thinking, "Well, if they didn't do that to us, or they do that to us," it kind of creates a little bit of a victim mentality sometimes.

My view of responsibility is about, "No, I'm responsible for—I'm responsible for the culture that I create in my team. I'm responsible for empowering people that are, maybe don't feel empowered. I'm responsible for the cleanliness of my area. I'm responsible for the safety in my area. I am responsible for having my folks be in positions to do their best work."

And to me, that's—there's a lot of integrity in that. There's a lot of these other things that we have in our values as well. And that's why I said they overlap a little bit. But it really is about owning, you know, owning your area.

**Interviewer:** And would you say that those elements are the same for both leaders and individual contributors?

**Mike Petters:** Absolutely. I mean individual contributors in our business are critically important to us. And I would hope and expect that someone that sees themselves as an individual contributor would actually understand they're still part of something a lot bigger than themselves. And so, if they see an unsafe practice they would do the same thing that a leader would do. They'd try to stop it.

**Interviewer:** So, speaking of responsibility, what is your expectation of employees interacting in their communities—so outside of work?

**Mike Petters:** Well, my view is that we're all part of a community. We're all part of several communities. And my own personal experience is that the more you put into it, the more you get out of it. So, the more you put into work, the more you get out of work. The more you put into your church, the more you get out of that. The more you put into your local library or museum or whatever you choose—Little League. Whatever it is that you choose to do, the more you will get out of that. The more you put into your family, the more you will get out of that.

That's actually kind of the way that I think about life is that if you put time into it, that means it's important to you. And if you put time into it, you'll get more out of it. So, people don't spend a lot of time on things that are not important.

My expectation is that in our communities where we are, people know that HII is there. In some of those communities we are the—we're the largest employer in the area or we're a critical member of the local town or city or community or county, whatever it is. And just like we were talking about before, what they will see is they will see HII contributors, leaders, also contributing and leading to the success of the overall community. And that's good for everybody.

**Interviewer:** Right. So, in addition to local communities, people are becoming more involved in online communities. Given that social media is so pervasive, what are your expectations for employees?

**Mike Petters:** Yeah, this one's getting to be really tricky.

**Interviewer:** Yes.

**Mike Petters:** Certainly, people are entitled to their opinions and their views. And we are finding, every day we're finding more and more ways to be able to express those opinions and views. And frankly, I think that's part of what makes America great is that you're allowed to express your opinions.

The tricky part is that when you are expressing opinions and people see you not as an individual but they see you as part of the organization, they see you part of HII, then it's easy for folks that are outside of the organization to say, "Well, that must be an HII opinion." And now we're back to, remember, you represent us 24 hours a day, seven days a week. And even online.

And so, I would expect that in the engagements with the expressing your opinion, expressing your views, that you would maintain a consistent perspective on the values that we put forward. And that's what I expect of all my leaders all the time and I would be surprised to see anything less than that.

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**Interviewer:** Well, Mr. Petters, thank you for sharing your thoughts, and I appreciate your taking the time today.

**Mike Petters:** Good, I hope this is the beginning of another great year for HII and for our team.

**Interviewer:** Certainly. Great.

**Mike Petters:** Thank you very much.

**Interviewer:** Thanks.

**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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