



June 12 2020 Podcast Transcript

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Announcer: Welcome to HII Talking Points, a Huntington Ingalls Industries podcast.

Phoebe Richards: Hi everyone, and welcome to HII Talking Points. I'm Phoebe Richards, and with me today is, HII President and CEO Mike Petters. Mr. Petters, as always, thank you for joining me.

Mike Petters: It's great to be with you again, Phoebe.

Phoebe Richards: So last week you issued a message to employees about the recent tragic events and unrest that has spread throughout the country. Today I want to talk about that message and how it applies to HII and our communities. So to start, your message to employees emphasized trust, and you said there is clearly a lack of trust in our nation right now. Let's talk about that current lack of trust and how we got there, and in your opinion what does a trusting community look like and how do we get there?

Mike Petters: Well, thanks, Phoebe, and I appreciate the opportunity to talk about this. I chose the word "trust" because I think of all the ways that I can describe my own personal journey on this issue, I have to say that trust has been at the center of my journey – maybe we can talk some more about that. But let me start out by saying that I'm not sure there's a word in the dictionary that describes how I felt when I saw the murder at the hands of the police two weeks ago. I just could not believe, and frankly it was not the first one in the last few months. When we saw the video of Ahmaud Arbery in Georgia, in Brunswick. I've never spent a lot of time in Brunswick, but I know where it is. I was stationed in Kings Bay, so I kind of know that part of the world.

But when I saw that video and I thought, "How could that happen in this year in this country?" And to follow that up with what happened to George Floyd. There's not a word to describe how I felt about that. I've seen words like "appalled," "devastated," and I would say all of those apply. But beyond that, I felt just a, almost an overbearing sadness, sadness for the families, but beyond that, sadness for our nation. That we are aspiring to do so many things, and yet we are where we are. I would say that if I had seen those things when I was 15 years old, I'm not sure I would have had the same reaction as I do today.

Phoebe Richards: And why do you say that?

Mike Petters: I think what happens is you live, go through life, you start in a circle of family and community. In my case I grew up in the county on a farm in the South. There was a circle of folks that I was very comfortable with. But as I got older and I started to venture into other circles. My circle expanded and more people came into that circle, and people would come into the circle that I wouldn't be comfortable with. But over time you would learn how to trust them. They would learn how to trust

you. And your circle would be bigger, and you would have a little bit broader view of the world, of yourself, your role in it, how things worked, and all that sort of thing.

I went from the farm, to the city for high school. I went into the Navy for college, and the circles for me kept expanding. So you would think, that's a great path, and I'm going to get to a point, I'm out of the Navy, I start working at the company, and circles expanded again, and today I'm the CEO of a Fortune 500 company. That's a circle itself, and that circle is much bigger than it was when I was 15 years old. Lots of different kinds of people in that circle. Not everybody in that circle grew up on a farm, so they don't have the experience that I have. I didn't grow up in the big city, so I don't have their experience either, and over time I've come to appreciate that's different.

I had a situation come up a few years ago. I think we all know when it happened, was in 2016 when Colin Kaepernick took a knee at a football game. In 2016, I was the CEO of Huntington Ingalls, and I had been on this lifelong journey of building trust and getting comfortable with people around me, and yet as a veteran, my view at the time was the flag was something that represented the aspiration that is America. And I will say even then, Phoebe, I never thought that people stood up for the flag to honor veterans, and most of the veterans I know don't think that.

Phoebe Richards: Right.

Mike Petters: We who served don't need that. We didn't do it for that. When we stand for the flag, we are standing for a vision of America that is laid out in our Constitution – liberty and justice for all. And we recognize it's an aspiration and we recognize that we've got work to do. When Colin Kaepernick used his platform to take a knee to highlight that we were falling short, I have to say on that day I didn't agree with him. I didn't think it was the right place. I just thought he was misusing his platform. I thought all the things that you've heard people say. And a few days after that a couple of folks, we got into a discussion. A couple of folks that I trust and who trusted me brought it to my attention a different way to think about, and I am forever grateful for that conversation because it completely changed my view of what that's all about.

And, frankly, it helped me think through the question that we've done in the company around “Let's make sure our least empowered people feel confident enough to contribute to our success.” That's our HII approach. It's very clear that where Colin Kaepernick was coming from, that he felt that he had to make a statement, knowing that it would be, it would make people uncomfortable, but he felt like that by making people uncomfortable maybe we would make progress.

Phoebe Richards: Right.

Mike Petters: And today I say that was a very, very courageous thing for him to do, and I admit I did not say that on the day that he did it. I would say it today. The reason was able to change that view was because people trusted me enough to come and talk to me about their view, and we shared our views. In the course of that I was open to understanding their perspective and got a whole new view of how things need to move ahead in this country. And so I chose “trust” in the memo last week to, in some way, talk about what my journey has been about. It has been creating circles, building trust in those circles, putting yourself in a place where everybody in the circle is empowered to come back and talk with you, and you come to a better place on a foundation of trust which then empowers people to contribute.

From my standpoint, trust is really what I see. I can absolutely understand when you have things like this going on in 2020, in the 21st century in the United States of America, and you have things going on like this, I can understand why a large portion of our community, particularly our African-American part of our family, don't trust institutions that we invest in for our shared and common success. And if that's the case, then it's incumbent upon all of us to work on that. It's not somebody else's problem. It's our problem. So that's why I chose the word "trust."

Phoebe Richards: This has already happened. We're seeing the unrest nationwide. How do we go from here, where we currently have a lack of trust, to build that trust back, or develop it for the first time?

Mike Petters: I've watched really, really eloquent national leaders try to talk to that issue, and I'm not sure there's a silver bullet. Personally, I think there's only so much that you can count on other people to do. There will be a lot of discussion about policy. There will be a lot of discussion about rules. And, in fact, inside of HII there's going to be a lot of discussion about what is HII going to do. And I'm going to say institutions like that, including HII, we will do stuff. We will do more, and we will double down on the approach that we take. The progress that we've made is nice, but it hasn't been fast enough, and we need to do more. But I'm also going to suggest that we've been working on policies literally since the Civil War, but in earnest since the mid-'60s.

So more than 50 years of policies, and we really haven't made great progress. I think that this is one of those times when we're going to have to take it into our own hands and start building trust one person at a time, one household at a time, one neighborhood at a time. That's hard work. That's hard. That's slow. I understand the impatience, but I also think that now's the time for people, they're searching for what can we do, and I think that if nothing else, you can find a way to build your circle and create more trust is a path to move ahead on that. In some ways, I think a lot of us have these experiences, whether it's in sports or music or in other things.

I was a water skier – I still waterski, but I waterskied as a youngster, and a friend of mine used to say, "If you're not falling, you're not trying hard enough." And so maybe there's a message in that. You know, if you go to the gym and you do 15 pushups every day and they're really easy for you, maybe you need to try to do 20 and get uncomfortable. Doing one more and being more, and trying to create discomfort in your own life can help create trust in a circle. I think that beyond all the policy things and everything that all the institutions are going to try to do, in the end if we as individuals are not trying to create some discomfort in our own life to go deal with this and use that discomfort as a way to build our strength, then all the policy solutions in the world won't matter.

Phoebe Richards: Right. I think what I'm seeing with these protests, because they're so significant nationwide, we're seeing a diversity within the people protesting. Do you think this time is different, and do you think people are really willing to get uncomfortable after George Floyd's death?

Mike Petters: Well, gosh, I hope so. I hope so. I don't ever want to see that again. I don't ever want to see what happened in Georgia happen again, and I would hope that we could do that. But I do worry for all of the great value that the protests are in demonstrating the nature of what we have to do and the change we have to go take on, I also believe there's an emotional piece of this. I do worry that when the emotion starts to fade, the energy will start to fade. Let's channel – let's protest. Go ahead. Protest as long as you can and as long as you like. But let's channel energy – when the emotion recedes, let's channel energy into creating discomfort in our own life so that we can then grow as a person, we can

grow as a family, we can grow as a neighborhood, and we can grow as a community and an institution. I think that's where it's going to go.

Phoebe, I remember as a child, I remember this cartoon from the Revolutionary War that was the bundle of sticks, and it's the united we stand, divided we fall. How do you break up a bundle of sticks? Well, you can't break the whole bundle, but you can surely break them one at a time. We are in a place today where we are in a global competition with folks who do not like our way of life. They see us as interfering in their way of life. They want to change the way we do business, and if we are divided the way we are today, it won't matter how good our ships are because our own internal divisions are the greatest threat that we have. And that then goes to education, that goes to communities, that goes to health and safety, all of those things that we've got to work our way through if we're going to be competitive in this , globally competitive 21st century.

Phoebe Richards: Right. Well, Mr. Petters, thank you for sharing your thoughts and perspective today, and thank you for tuning in from our listeners.

Mike Petters: Thanks, Phoebe. Thanks for doing this, and all I can say to the folks who are listening is that at HII you're going to see and hear more of this down the road as we go forward. We've got to get this right. We've got to get this right as a company, we've got to get this right as people. We've got to get this right as citizens of our communities and as citizens of the nation. Thank you all very much for everything you do.

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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 www.huntingtoningalls.com/podcast.

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