

**Denise:**

Welcome to the Art of Engineering, where we speak with some of the top women in engineering about their processes, principles, and personal stories. I'm Denise McIntosh, CEO of [Custom Powder Systems](#), The Containment Company. Today my guest is Anne Rhodes, founder of [People Ink](#). Spelled i n k, and author of [Built on Values: Creating an Envable Culture that Outperforms the Competition](#).

**Anne:**

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**Denise:**

Anne and I met last fall in Kansas City at a [Great Game of Business](#) conference, and I'm thrilled to have her on the show. Anne, welcome to the Art of Engineering.

**Anne:**

Thank you. It's great to be here.

**Denise:**

So I'd like to start the conversation about who is Anne Rhodes and how did you get to be a people person?

**Anne:**

Funny, I, it's interesting you come out with an MBA years ago when I obviously got mine and everyone went into banking, right? So of course it was finance, which was of course one of my subjects in my MBA and one I loved ended up in banking, but ended up meeting Herb Kelleher when I was asked to make a presentation to a bank in Texas I was working for. And I immediately decided that was the person I wanted to work for was offered a job as a head of people. And I thought, why not? And he and I called it people instead of human resources and we couldn't spell personnel. So it ended up being the people department. I think we were one of the first actually. But he was a great leader and I learned a great deal from him and other leaders I've worked for and the people side and the companies I've worked for have been, not staff functions, but line functions because they were so critical to the organization. That's why I actually stayed in the people side. I always thought I'd be in marketing or finance, but when you think about it, the people side is actually a, to me it's a marketing job because you have to make sure that you sell the right people on taking the positions in your company or nothing else works in my mind.

**Denise:**

Well, it's so true. You know, I was thinking about that because we started this podcast interviewing women in engineering and expanded to manufacturing. And when I thought about the discussion with you, it's, you cross all of those

**Anne:**

Well, you know, it's really funny because I have always believed that leadership is critical to success. And the right people leading the company with the right values will always, in my mind, create a better performance at the end of the day. So I am all about the people side have always been, I think culture is really, if you look at what real culture is, it's a collection of behaviors of people in the organization starting with the leaders.

**Denise:**

Yes. So tell me a little bit about how you and Herb at [Southwest Airlines](#) developed that.

**Anne:**

Well, it was very interesting. He brought me in because they had about 4,000 people at the time I came to Southwest. And it was very interesting. He found out that the people were not the right people, that they were hiring. And frankly, he wanted me to change the hiring model. And he had met me as I said that during a meeting at the bank. And during that time I was talking about hiring the right people, not just for competencies, but for the values. And he immediately grabbed onto that and said, we've gotta start doing that, because they were at a critical point in their growth and they had planned almost a 15% a year growth from that point forward. He was very concerned about getting the right people on the bus, as Jim Collins says. And so he hired me to come and change that, and at the same time, to build a people side out of the organization.

And we went from 4,000 to 20,000 while I was there. But in the, in the process, we found out that it wasn't just about hiring the right people, you had to figure out how to hire 'em, right? So they had been hiring for competencies, but not for their values. And they have three values and one is fun, of course you can tell that every time you fly, right? Even though they had the perfect storm in this Christmas, they are known for being a very, very strong cultured organization around both fun, a golden rule and Warrior spirit. Warrior spirit developed because they didn't have money for things like marketing. So they counted on all their people to really make it happen. Golden rule is every time they have an issue, they look at how would I wanna be treated? And they proceed. And the third thing is fun because they said, he said That's what really created Southwest. And so, I

**Denise:**

I agree. I had such a great experience on a Southwest Airlines flight. This has been many years ago because I was traveling the southwest. I was in a sales position and we had some promotion that had to be finished by the end of the year. And I was trying to get everything done before Christmas. And I had, I don't know, five or six flights in about three days on Southwest

Airlines. And I encountered some of the same crew during those three days. And by the end of the three days I was greeting people at the door as they were coming off.

**Anne:**

That is great.

**Denise:**

Cause they said, you know, you're kinda like our people. You just are here to have fun. I said, listen, I my flights have all been on time. I've had a great flight on every one of 'em. And, and yes, this is fun.

**Anne:**

You won't be hired there unless you can give a specific example of using your sense of humor in a difficult customer situation.

**Denise:**

Oh, I love that.

**Anne:**

Isn't that a great question?

**Denise:**

Oh wow.

**Anne:**

Yes. And [JetBlue](#) has fun as one of the values cuz three of the five of us who started it came out of Southwest. And we had learned there that fun makes for a great environment. And if you know anything about and have been reading about the latest data coming out after Covid, what employees are looking for is a great place to work. Including one where they can relax and be themselves and have fun and new generations are, don't wanna work in a place that's the old stuffy, never relax, never have fun environment. They just don't wanna be there.

**Denise:**

Actually, that was one of my further questions, Anne, is what shifts have you seen in the need to change cultures in the last few years? Bes be, if, is there something besides fun?

**Anne:**

Sure. I think that one of the things is we need to, especially coming outta Covid, you know, and I know how many issues there are around almost every age group. And what's happening is they're trying to make leaders understand their specific situation. So to me, what's coming out the data and I just read another article on the Wall Street about it. And that's that leaders need to be more empathetic. Every individual is different. You know, tell me anything you want, but

don't all of 'em do not, not only need the same treatment, they don't desire it, they don't, some cases deserve it. So I am totally about treating people fairly, not equally in this environment. There are young women who have found that by staying home, they really enjoyed time with their children more so than they thought they needed when they were working every day.

Right. I was just at lunch with someone who was explaining that and she's a C P A and she changed jobs because she did not have enough time. And during Covid what she found out was how much she enjoyed and probably needed to be, have more time with her family. And so she took another position where she has that opportunity. So being empathetic and understanding individual needs are in fact that and are very different. I would say that the big thing we need coming out is to be good listeners and as leaders and also in addition, be empathetic. If someone needs something, try to figure a way to yes. Not no, we have been in the mode of having more than enough people. We needed to do jobs, having great a a lot of a players and what's happened coming out of this, we're seeing people retiring.

She told me at lunch at 75% of the CPAs are gonna retire in the next five years. That's just incredible. I mean, we need to recruit this talent and get them to wanna stay in our position in our organizations. And that means you don't just recruit. I think we have a problem recruiting, but we really have a problem with retention. Yes. And having people enjoy coming to work, whether they work at home in the virtual, which we have done by the way, for 22 years. My company has been virtual. We started in 1999, so it's, well actually 24 years. And we started JetBlue the same way. So our customer service agents, and there are thousands of them have been working from home for years since 1999.

**Denise:**

So you didn't have to embrace that change. You were already, you were waiting.

**Anne:**

Actually are models for it and people are asking us all the time, how did you do it? Well, we did it because it was the right thing to do. We had a lot of young mothers in Salt Lake City, as you can imagine with large families wanting to stay home and work. And we said, okay, let's figure a way to do it. And it saved us at that time we were gonna build a \$7 million res center. We never built it.

**Denise:**

Wow.

**Anne:**

It was honestly lowest turnover. We did not pay above market very low turnover. And everyone kept telling us they were so happy with their job. We had single digit turnover in an industry that normally has 25.

**Denise:**

Yeah. I just read an article. Speaking of the pandemic and the changes and, and and empathy and good listening is absolutely it. But one of the comments he had was, you know, we're all in the same ocean, but we all have individual boats. And we, and we need to be listening and empathetic to the needs of, of individuals.

**Anne:**

We do. We should not be looking on any page in any handbook. When someone comes to us with a problem, you know, we used, we're so used to saying, well I'm sorry I can't do that. If I set, if I do it for you, I set a precedent. No, if you do it for them, what you do is you keep your A players and you need to make sure that they expect it today. You know, it's interesting, maybe in times past they weren't quite so expectant in terms of what they, they want their leaders to deliver when they have an issue. But I think today that's not true. Today. They expect you to listen and they expect you to do something and to help them with their issue. EAPs and all these new groups that are are telling us, all of our benefits groups are telling us this is the toughest time we've seen in EAPs.

A lot of people need help. They have issues with childcare. I didn't realize how many childcare organizations had actually not come out of Covid. They had gone broke or quit during covid. They can't find people and or they couldn't make up the, the loss. Right. That's another issue that young mothers have. Someone told me it was a huge percentage of childcare places that used to take children for of course all the working couples, but not so much anymore. They can't find them and family members aren't willing to do it anymore cuz the kids go to school and bring all kinds of stuff. But interesting. I don't know, it's a very new day. But we can do it if we listen and if we're empathetic and we figure a way to yes instead of no, I think everything's gray. This old black and white world doesn't work anymore.

**Denise:**

No it doesn't. No it doesn't. So Anne, you teach what's called a values-based culture.

**Anne:**

Yes.

**Denise:**

Would you describe that for us?

**Anne:**

Sure. Most people don't understand. They think that you can put values on a wall and that all of a sudden creates your culture. What you need to do is you do need to blueprint the values. And many companies have done it, but the failure was when they didn't also describe the behaviors behind each one of those values. The behaviors become the DNA of the organization and the experience of the customer is based on the behaviors of the people. The second thing they

have to do is not only describe the values and behaviors, but hire to it and hiring around the competencies coupled with the values. The third piece is that they need to then hold people accountable. I chaired the board for JetBlue for the comp committee for over 15 years. And the first thing we recognized in terms of performance of the CEO was we ask them not what the results were financially, but how did they get those results?

Did they get them the right way by using the values or did they get them by just making cuts? Anyone can get the right numbers. It's how you get it that matters once you've described the values and behaviors. So accountability and reward systems should be based on getting the right reward, right results the right way. Fourth piece is that you have to remember that every single person you hire either builds that brand or helps destroy it. So I always look at the person I'm hiring at the very end and say, okay, do I want them representing this brand the next. And the next and last piece that touches all the other four is everyone has to be on board in terms of getting the right metrics and making sure that everybody's in this game to win. That's why I love the Great Game of Business cuz it makes certain, and the model makes sure that everyone knows the metrics, they know the numbers and they help you make them.

Because when we tell people what it takes to be successful in terms of metrics, what happens is when you tell them and they realize how they can help achieve that for you, it happens. But if you keep it quiet and you never tell 'em what the goals are and all of a sudden you say, we aren't making our goals. Well really well what are they? So the last piece is making sure that you have a continuous improvement plan and everyone's involved. So at JetBlue, when you turn on your phone in the morning or when you turn, when you walk into your, your location as you walk through, even if you're catching a plane, you still walk through. You're, if you're a pilot, you walk through the pilot room and you'll see the numbers everywhere on the walls for that day. We have flat screen TVs on your phone, you'll turn on, you'll see the metrics, you'll see red, yellow and green coating that tells you whether yesterday we achieved them or not. So we get everyone involved in the game of business cuz we think it's critical.

**Denise:**

Awesome. So one of the things I read that I think was maybe an excerpt from your book was a story about a young man you hired, I believe as a mechanic at JetBlue.

**Anne:**

Yes. we always ask a question on integrity cuz that is one of our values. And we ask this individual to give us an example of a time when he knew by telling the truth he could be fired, he could jeopardize his job. And so he was a young mechanic. He went to work for an airline. He had always wanted to go to work for New York. His family's in New York. His his wife was a caregiver for her parents. So they had to stay in New York. And he went to work and within 90 days was asked to sign off on an aircraft he did not think was capable of flying. And it was not safe. He did not sign off on it. He explained to his supervisor why, but he was fired for insubordinate. He could not find a job For two years he looked in New York and no one would hire him because he was considered insubordinate. And guess what? We couldn't wait to hire

him. And today, last time I checked, he was a manager at JetBlue and we were so happy to have someone we knew would never, no matter what the outcome was, sign off on an unsafe aircraft.

**Denise:**

Oh it's a great story.

**Anne:**

We were so excited about him. We had him help us hire people.

**Denise:**

Awesome! Well, and I, and I like how you also talked about how as a leader demonstrating those values, whether it's integrity or you know, doing something the right way is so important.

**Anne:**

And getting specific examples. You know, everyone can kind of almost bulls\*\*\*t their way right through an interview. They've heard from friends the questions, but when you ask for specific examples, it's very hard if it isn't true to give that example cuz we'll also dig deep and try to get more data from 'em. And so many people saw our questions, they'd be published actually on websites and they would still fail. It still took over 20 people to get one job and it still does at both Southwest and JetBlue.

**Denise:**

Wow.

**Anne:**

It's a very effective way. It was used during World War II with pilots. The Air Force looked to see whether or not why it was at certain pilots always hit their targets and why certain pilots did not. And it was one behavioral difference. The pilots had always hit their targets, did a checklist every time. And the others did not.

**Denise:**

And checklists work in so many places and

**Anne:**

Oh, we're using, they're using it today in all of the hospitals.

**Denise:**

Yes.

**Anne:**

Yes. Thank heavens you won't have a scissors in your, when you get your knee replacement.

**Denise:**

So you mentioned Great Game and that's where you and I met, but how did you encounter Jack Stack in the Great Game of Business?

**Anne:**

I read the book one of, I think it was the first book he put out years and years ago when I was at Southwest. And I brought him into one of our leadership meetings and we bought everyone the book. And I think it's one of the reasons Southwest today is so adamant about everyone knowing the numbers. And one of the first things we did, which was interesting, we used to have plastic boarding passes and on number 70 and 77 is when you would all after 77, we made money. So we put, we had the plastic boarding passes, but after we heard about making it a game and letting everyone know the numbers, we actually put a red tape on 76. So the minute that person took those boarding passes and we did it by number, you know, you boarded by number, they would know that they were gonna get some profit sharing in 77 was the number.

**Denise:**

Wow.

**Anne:**

Isn't that a cool way to do it? Very simple. We also, when we told people, and I forgot to tell Jack, this is a story about, I was trying to get people to help us save money in benefits. We were seeing a 10% override on our hospital bills for things people didn't really receive. So we asked them to start looking at their hospital bills and we, we told them how much we thought we could save. We saved double or triple that amount, but we described our hospital bills and the cost of, of healthcare one day and the number of six packs that we, it would cost us at Southwest. Cuz everybody knows we serve beer on flights and liquor. So we had big posters saying cost of healthcare every, every day for Southwest. I thought it was, it's something like 386,000 6-packs or something. It was incredible number.

**Denise:**

Oh my gosh. What a great example.

**Anne:**

Everything we did was fun. We had Herb dress up as a he looked like Elvis in an outfit and it said Come, come work at Southwest where we're having fun. Even the CEO dresses up like Elvis. And we have fun every day, but we did everything in a funny way.

**Denise:**

Very good.

**Anne:**

It was really a kick.

**Denise:**

So Anne, you've also served on several boards. Yes. So I would guess everyone you've served on has benefited from all these things you've learned along the way.

**Anne:**

You'll have to ask them. No, I'm kidding. I've had a great time and what I thought was important and what I'd love women to know and people in the HR business, the people side, it's starting to be according to CEOs that I serve on boards today still with, they said they will not serve on a board again unless there is a people person on it. Because so many of the issues in corporations, you know, are all about people. And here to four, they used to put finance majors on all the boards. I mean, every single member was a finance man or woman. And today they're seeing the value of having people that understand people on that board. Because that's where all the issues are. And I'm so proud of that because I think that for once this practice is getting the recognition that it deserves.

**Denise:**

Well, I've, I I also want to mention that you have written a book called Built on Values, Creating an Envable Culture that Outperforms the Competition. And I haven't read all of it, but I'm going to because that's, that's where it is, isn't it, is creating a culture that outperforms the competition.

**Anne:**

It is. And it's all about paying attention to that because it does have the ROI on paying attention to your culture and how people behave and who you hire and how you reward. And at the end of the day, getting 'em all in the game, so to speak in terms of numbers and metrics, it works. I mean it really works.

**Denise:**

It really works.

**Anne:**

And, and it's really worth the time and effort. And I think coming out of Covid, maybe we've started to, I don't open a paper. They aren't talking about culture. I don't see an ad. They aren't talking about values, it's about time.

**Denise:**

So I want to we could go on a long, a long time and, and, and I'd like to spend some time with you in person one of these days, but I want to leave by telling people your company name, which is People Ink Pro spelled "ink" and your title, which is p r e s. And I love this person responsible for exceptional service.

**Anne:**

Right. And our VPs are visionaries for people. I like that too. We didn't wanna do anything like everyone else. Everyone thinks I misspelled people Ink.

We put a K there, we did that by Design.

**Denise:**

So tell us a little bit about, about People Ink. And, and how you are helping companies create cultures.

**Anne:**

Sure. We actually have a process. We think it has to be systematic like everything else that's successful in your organization. And so those five pieces that I talked about are the pieces we come in and help you with. And there's some organizations that already have their values, but the majority do not have behaviors or they wanna revisit their values or behaviors. We help facilitate your people doing that. So we aren't the old consulting firm. We come in and we facilitate you describing your values and behaviors and then putting in place those hiring models and all of the pieces, the accountability, the rewards the customer branding and the metrics. And we believe that culture is very measurable. And so we talked to you about where you wanna go and then we figure a plan to get you there in terms of performance around a set of values and behaviors that will become the DNA and at the end of the day will make you very successful.

We aren't the old school, we're very new. And our, our belief on your people really are the best about knowing who you are and, and what, what works and what doesn't work and how can we come, make you successful, help you be successful. We also have a lot of software online. If someone doesn't want us to come in, we actually have software that they can purchase that actually will walk 'em through in the book, it was written as a prescriptive, so you can take, we know many companies that were small to mid-sized and they took a chapter by chapter each month or each every few months, and they actually ended up putting the model in themselves.

**Denise:**

Well, Anne, this has been delightful as I knew it would be, and I so appreciate you joining us today on The Art of Engineering.

**Anne:**

Thank you so much. It's great being here.