

## Huntsman's Impact

An Interview with Jon M. Huntsman Sr.,  
Founder and Executive Chairman, Huntsman Corporation

**EDITORS' NOTE** Born in Blackfoot, Idaho, Jon M. Huntsman graduated at the top of his class in 1959 from The Wharton School of the University of Pennsylvania before serving in the United States Navy. He later earned an M.B.A. from the University of Southern California and has since been awarded 13 honorary degrees by universities throughout America. In 1970, Huntsman left his post as President of Dolco Packaging, a Dow Chemical joint venture, to



Jon M. Huntsman Sr.

form Huntsman Container Corporation, credited with inventing the first plastic bowls, plates, utensils, meat trays, egg cartons, and a range of container products for the food industry, including the famous McDonald's Big Mac container. After selling the container business, he founded Huntsman Chemical Corporation, known today on the NYSE as Huntsman Corporation, and served as its President, CEO, and Chairman until 2000, at which time his second-eldest son, Peter R. Huntsman, was appointed CEO. Today, Jon serves as Executive Chairman of the board of directors. He has also founded numerous other enterprises, including the Huntsman Springs golf and residential resort in Driggs, Idaho, and two private equity firms.

Huntsman's distinguished service in politics includes GOP Utah National Committeeman from 1976 to 1980 and acting GOP State Chairman. In 1970, Huntsman served during the Nixon Administration as Associate Administrator (Chief Operating Officer) for Social and Rehabilitation Services, Department of Health, Education and Welfare and, throughout 1971, he served as Special Assistant and Staff Secretary to President Richard M. Nixon. He was close to Ronald Reagan and served as Reagan's Campaign Chairman for Utah in 1980 and 1984. He assisted in George H. W. Bush's campaigns in 1988 and 1992. In 1988, Utah Governor Norman Bangert appointed him the State's first Ambassador for Economic Development. Huntsman also served as Vice Chairman of the U.S. Chamber of Commerce and has fulfilled many roles as Chairman and/or a member of a number of national and international corporate, philanthropic, and institutional boards of directors.

From 1980 to 1983, Huntsman served his church (The Church of Jesus Christ of Latter-day Saints) as Mission President, supervising

the Washington, D.C. region and surrounding four states. Huntsman was later called to serve as a Seventy in the LDS Church. In 1993, Huntsman founded the Huntsman Cancer Institute, which today is the region's only National Cancer Institute-designated cancer center whose research and facilities Jon Huntsman and his Huntsman Cancer Foundation support as the primary funders. He endows the Jon M. Huntsman School of Business at Utah State University, as well as a number of facility and scholar-

ship sponsorships at universities throughout the country. He authored the book, *Winners Never Cheat: Everyday Values We Learned as Children (But May Have Forgotten)* in 2005. The second edition, entitled, *Winners Never Cheat: Even in Difficult Times*, was on The Wall Street Journal's best-selling books list. Huntsman's lifetime philanthropy total is estimated to exceed \$1.3 billion, including annual funding of the Huntsman World Senior Games, currently in its 25th year, the Huntsman Awards for Excellence in Education, and numerous additional programs and causes.

**COMPANY BRIEF** Today, Huntsman ([huntsman.com](http://huntsman.com)) is in its 44th year of operations, and is a global manufacturer and marketer of differentiated chemicals whose operating companies manufacture products for a variety of global industries, including chemicals, plastics, automotive, aviation, textiles, footwear, paints and coatings, construction, technology, agriculture, health care, detergent, personal care, furniture, appliances, and packaging. Huntsman has approximately 12,000 employees and operates from multiple locations worldwide.

### What is the history of corporate philanthropy at Huntsman?

When I founded the company 44 years ago, it was very important from day one that we establish a corporate culture that not only reached out to our associates regarding respect to others and a positive working environment, but we felt we should reach out to our communities because they take pride in corporations that give back to them.

In 1971, we had one small plant in California and we were going to build another, so I visited many small towns in Ohio to determine which

town had the best community spirit. I selected Troy because they had almost 15,000 people turn out for their high school's Friday night football games – there was such a sense of pride in their community. We built our first large plant there, and I felt I had to do something to keep the sense of community alive.

It has been our mantra ever since to develop a culture among the family, the associates in the company, and the community, so there is a direct relationship among all three.

### Is it more challenging to maintain that culture as you grow?

Over the years, we acquired 36 different entities ranging in size from \$50 million to \$2.7 billion. But in every case, we would meet with our associates and talk to them about the Huntsman family philosophy, and our focus on giving back to the community.

We started a program during our first years that grants scholarships to our associates' children who are going to college. So we immediately started benefits for our associates that they didn't have before we acquired their company.

We have held open houses where community leaders can tour our facilities and meet the family, and understand that our family is there to associate with them.

Even though it has become more difficult to continue this as we enter larger cities, we still do it in our own limited way. It always makes the associates immediately feel proud.

It's why in February 2013, *Business Insider* magazine ranked the best of the Fortune 500 employers in America and ranked us number three.

We frequently have all-employee meetings to tell them what we're doing and to get their suggestions. We have never had any union organize in a facility that we have owned. We purchased Texaco Chemical and a number of businesses with existing unions. We took over those unions and developed fine relationships with their union leaders, because we wanted to ensure that we had the support of our employees and families. At many of our sites, we have outings, picnics, and other events we sponsor for the community at large.

### Is it essential that the areas you support have a connection to your business strategy?

We were private for 35 years and we have been public now for almost nine years.

During the time we were private, we did many things in the communities, such as offering



prostate cancer testing for men and mammograms for women. We still do that in a number of places.

We were able to put tens of millions of dollars back into these communities when we were private because it was our money and we didn't have shareholders. What was a social dividend in those days is a shareholder dividend today, so we have to be terribly sensitive to the fact that our shareholders own the company, and our significant dividends go to them.

Today, as a public company, we have to rely more on the Huntsman family. I'm thrilled that while we were private, we put enough money in our charitable foundations that we can now utilize them to help connect with the community in ways that don't dissipate funds from the corporation, as we had done previously.

So we have a fine line to walk today, as all public companies do, in evaluating how much they spend on enhancing communities. As a family business, we have been able to build the Huntsman Cancer Institute, which is the largest genetic cancer center in the world and one of the largest cancer facilities, both medically and research-wise, in existence. The corporation doesn't participate in that with the exception of our employees from our different facilities around the world who are kind enough to send in money of their own. They want to contribute to curing cancer, or to our centers for abused women and children, or the homeless. We have tremendous employee participation as a result of what the corporation initiated and what our family continues doing.

We interject what the family is doing into our news releases and it makes our employees proud to be part of the Huntsman family. As a family, we have put more than \$1.3 billion back into these communities. It feels like the company is doing it, but it is actually the family. It builds tremendous morale.

**Is it important that shareholders understand how thriving communities will benefit the business and also draw in top talent?**

I have served on the boards of six large New York Stock Exchange-listed American companies. With one – a large gas and oil utilities business – I raised this question at one of our board meetings: Because we're deriving 100 percent of our income from a small geographical area, don't you think we should put back at least 1 percent of our EBITDA profits into the community in the form of schools, hospitals, etc.? The board voted 10 to 1 to not do it, so I resigned. I wasn't asking to take a lot of money from the shareholders, and it would have enhanced our corporate image and helped sell more products. I wanted to enhance our good will.

Today, each board needs to determine how much of their profits they can legitimately put back into society. Of course, it becomes very cumbersome for companies that have several hundred locations to put a great deal back into every location. So we constantly address this at board meetings. I still think that 1 percent of profits is the right number. Most boards think that's too high, but when the number is in that



range, it comes back to help employees, and builds goodwill with customers and suppliers.

Huntsman has a terrific board that understands the importance of outreach and public relations. We allocate a certain percentage of our corporate profits back to the communities today, even though the family has these foundations, and there is no separation in spirit between family and corporation in our business.

We do require that our company be a small participant in all the endeavors we're undertaking as a family. The amount of money, however, from the public corporation is less than 1 percent of profits.

**Is it possible to put metrics in place to track the impact of these efforts?**

Our employee turnover rate is less than 1/10th of 1 percent per year, which is almost unheard of. This is a reward for all we do. There are a tremendous number of people who want to work for a company where there is fairness and upward mobility, where employees are heard, and where people look out for one another.

The chemical industry is a tough environment safety-wise, but our accident rate is the lowest in the industry. People are appreciative of that in our community because our employees are a reflection of our community.

If there is a death, an illness, or a problem, we respond to it quickly. A few years ago on Thanksgiving Day, one of our employees had a heart attack and fell off a rail car. I got on the plane on Thanksgiving afternoon to fly two-thirds of the way across the country and was at the bedside of that employee with his family that night. They lived in a small home and insisted I take the chair of the husband whose life they lost and sit in his seat in their home. This was my way of thanking them, and they were grateful to me.

I have known a lot of large companies where, when they have an accident, the senior executives barricade the offices and won't connect with those involved.

I have suggested to our CEO – my son Peter – that the minute there is an accident,

we're there immediately to put our arms around our people. Fortunately, we have one of the best safety records in the entire chemical industry.

Word spreads quickly when you do something good like this. It also spreads fast when you don't. Peter is a terrific leader, and our corporate officers follow his example.

**Do you feel that the most significant impact on social issues will come from the private sector or will it require a public/private partnership?**

I believe the wealthy in America – the upper 1 percent – have a duty to give to society by providing things like good, well-managed hospitals. Our centers for abused women and children are the best in America. The schoolyards we have provided for the children of abused women are fabulous; our cancer center is like the Ritz-Carlton. Our hospital makes you feel like you're in the finest hotel in the world because patients get better more quickly when they are in positive surroundings.

Americans should do something for mankind because we live in a country that has made possible our fortuitous situations and positions. Many countries don't offer the opportunities of America. I was raised on a small rural setting in Idaho and we had nothing. I have been able to become a billionaire in this great land, so I should give back. Our family doesn't need much to live on anymore, and neither do those of other wealthy people.

The government gets involved in some efforts but they do so without much concern for the modernization and updating of facilities. The private sector can build and manage facilities better, and fortify them. It can do the same thing with our downtowns and inner city areas.

We need to give back more than we're doing now in this country. In Europe and Asia, this type of giving is much more rare – everything in those areas is government led, and it's difficult to get individuals to contribute.

America is a charitable country, but we need to be more gracious. We haven't yet begun to do what we have the capacity to do.



**Is the U.S. still in a leadership position and are you concerned it might be losing its edge?**

I am, because the U.S. is the “leader” of the world across-the-board in the principles of innovation, creativity, management, and leadership. People from other countries want their children educated in American schools. They want their offspring to assimilate the great sense of American ingenuity.

The other side of the coin is that our K–12 education system is falling rapidly – we don’t even rank in the top 15 or 20 in the world anymore. Our medical care has fallen down into the second-tier group.

At Utah State University, we’re building what we expect to become one of the greatest business schools in America – the Jon M. Huntsman School of Business. I have infused tens of millions of dollars there because I want kids in the West to know they don’t need to attend an Ivy League school to obtain a first-rate education and become American business leaders.

We have put almost \$1.5 billion into our cancer center that we have raised through a variety of causes as well as from the family, and we have been unrelenting in our zest to make a difference. Very little of this, 3 or 4 percent at most, has come from government.

We are just scratching the surface, so more wealthy people need to be engaged more actively in community involvement and the areas where we’re falling behind: education, medical care, innovation, and employee morale.

We now have the advantage of fracking to provide more natural gas to take the place of oil. This will put America back at the forefront of the Industrial Revolution – the second major business revolution we have had over the past 100 years. We will now have cheaper energy than any country in the world because of natural gas. This should put America back on top.



*Kathleen Robison Huntsman YMCA apartments shelter families escaping abusive home situations (above); Jon Huntsman and his sons David (center) and Peter survey damage in post-earthquake Armenia where they help provide relief (below)*

We have tremendous opportunities coming our way again, and we have to take advantage of this product and not ship this valuable resource overseas. Natural gas is now being discovered in a vast number of states through fracking, but we should use it at home to provide the most benefit to our own economy and meet our own needs.

I don’t understand why we’re still importing from OPEC countries when domestically we have 100 percent of the natural gas required to power the country, and most of the products that can be made from oil can be made from natural gas. Yet, some of this is being exported so some of the larger companies in that industry can keep making vast profits. We should keep it at home and figure out how to create cheaper, yet higher-quality, products of our own, and provide more jobs, and a higher and more efficient industrial output.

Our next major plant is in Texas for \$1.2 billion. It’s not in China or India, where we’ve traditionally had large facilities. We’re in America where we need to keep reinvesting.

We have some great things going for us given this new age of fracking and natural gas, and as we develop natural gas, we’re finding more oil. We have the ability to be virtually self-sufficient now if we convert many of our processes from the use of oil to natural gas, and create electricity from natural gas by converting a lot of our power and other facilities to natural gas. When it comes to plastics and petrochemicals, we’re already converting those from oil to natural gas. It’s clean, efficient, and cheap, and we produce it at home.

**Do you take time to reflect on all you have accomplished or are you always looking for the next challenge?**

The moment we carry forward the problems of yesterday, we never have time to focus on the creations of tomorrow. So I have never looked back at yesterday but have focused on the opportunities and developments we have ahead of us.

I don’t think we have done enough – to whom much is given, much is expected, and I fail to understand those who have been given so much but give so little back.

We can’t rest on our laurels; we have to keep plowing forward to see what can be created for tomorrow; yesterday’s developments are old news. I will leave it to the future, to legacy, to determine all that.

**What is the secret to your high, consistent energy?**

I have had cancer four times and have dealt with a chronic illness, but I have never slowed down because I never believed in excuses. The only excuse to not keeping working hard is to be dead. So unless you’re dead or dying, you need to get out and keep trying to make a difference. This is where we develop our greatest source of happiness.

We found in our cancer centers that those who have support and enthusiasm, and who are excited about life, and who have families who love and support them, get through their cancer treatment much easier than those who don’t have a job waiting and don’t have the emotional enthusiasm to keep going. If you give up on yourself, you’re through.

The most unproductive thing to do is to fail to use the energy we have for the betterment of mankind. I will keep charging until the bitter end. ●