

# SUPPORTING A LEARNING ORGANIZATION

BY WILLIS JERNIGAN

Our company's most valuable resource is our people – employees who show up daily to make the products that help people improve their lives. We are proud to produce essential products that power and improve people's lives including reliable transportation fuels that keep us moving and chemical building blocks that help make modern life possible.

At Koch, we foster a learning environment where our employees are empowered to adapt and use their best judgment to get the best results. Sometimes this may mean adjusting your attitude, approach or response to a situation. Of course, we also have unwavering rules that we need to follow, such as laws and regulations in industry. Compliance is critical to how we operate, but we recognize that sometimes adhering to regulations is not enough. Achieving the most ideal results happens when our team members are both efficient and effective in their role and use their talent to fuel task execution.

That's why we drive our vision to improve safety by applying Principle Based Management™ – an approach based on principles of human progress that enables individuals and organizations to succeed long-term by creating superior values for others. Throughout history, principles of human progress have enabled individuals, organizations and societies to progress. When practiced and applied correctly, they promote peace, civility, opportunity and fulfillment, and the standard by which we evaluate everything. This principle-based, rather than rules-based, approach empowers employees to act in the best interests of themselves, each other, our customers, and society.

Our first priority is always the safety and well-being of our employees and communities. To achieve this, we work to build capability in our people and resilience in our systems. This is where applying general principles and learning enters the scope of work. Leaders in our company set the tone by seeking to understand the current situation, where we want to be in the future, and what

employees need to help us get there. We learn from all levels within the organization and empower each person to contribute to their growth and success in ways that unlock their potential to do what they do better.

In the past, our policy required employees to follow detailed rules, which unfortunately would override their good judgment at times. With an openness to change and improvement, we ultimately drifted away from the idea that sometimes we are faced with unique situations that don't fit in predetermined boxes. We have learned and embraced the idea that we may face circumstances where we make mistakes, we are all human after all. While the original rules were in place to protect our employees, strictly observing them became a burden over time, and meticulous adherence oftentimes resulted in disciplinary actions.

To be a true learning organization, we must first learn context without immediately jumping to discipline. Our teams must trust and respect each other and their leaders. Applying these values, we seek to understand how and why situations arise to safely address conditions, plan for potential scenarios and employ better ways moving forward. Our company's vision and direction continually evolve. As the industry landscape continues to change, we are committed to providing a safe and comfortable environment for our employees to work. By shifting our focus to a learning organization, we better embrace change and focus on our people.



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