

AT C LEVEL

Ross Born and Dave Shaffer, co-CEOs, Just Born Inc.

Part of a series of talks with top-level business executives on the subject of learning and performance.

Company Success Isn't Made ... It's Just Born

If you buy candy at the movies, you've probably eaten a Just Born product. They make Mike and Ike, and Hot Tamales, and several other jelly bean-type candies. But the product that makes them famous is the iconic yellow marshmallow chick known as a Peep. The Just Born assembly line in Bethlehem, Pennsylvania, produces 1.2 billion Peeps a year, enough to circle the globe twice.

Just Born is a company with a clear link between its strategic objectives and the efforts of its HR unit, in which employee learning plays a key role. Performance development at Just Born derives directly from the company's vision, mission, and specific goals (to improve sales, profit, and leadership) and objectives (to grow brands, expand international markets, diversify, reduce supply chain costs, establish effective procurement, and develop a market-driven scorecard).

HR and Corporate Affairs share responsibility for supporting the objectives of diversification, cost improvement, and leadership. For example, they are developing activities for a visitor's center that will play an educational role in the community. They are measured on their contribution to cost improvement through such actions as standardizing training processes. And, their work links directly to the company's mission of having superior leadership. Just Born's people development system, which covers all levels of employees, encompasses succession planning, career development, and performance management. Learning plans for the company's managers and leaders help identify skills gaps related to key strategic objectives. A competency dictionary, currently under development, will support managers' efforts to identify missing skills.

Just Born has been family-owned and operated since the founder, Sam Born, opened a shop in Brooklyn, New York, in 1917. To show his newly made candies' freshness, he labeled them Just Born. His brothers-in-law, Irv and Jack Shaffer, joined the company soon after. Today the company employs more than 400 associates and is headed by cousins Ross Born and David Shaffer, who are co-CEOs. We spoke with them recently about the company's commitment to learning.

Q. *We're interested in making a connection between an organization's learning efforts and its success. Let's start with how you measure the success of Just Born. At the end of the year, how do you know if it's been a good year?*

Ross: Being here every day we can sense if our people feel satisfied that they're part of a worthwhile venture. And when we say people, it's not only the employees: It's all of our stakeholders as well.

We just met today with our distribution center folks, and I know they feel it's very worthwhile to be associated with Just Born and that the business is doing well from their perspective. We believe that along the whole chain—from the suppliers to the manufacturers to the distributors to the customers—if everyone is benefiting, then we've been successful.

Obviously there are financial parameters too. David, who is the co-CEO and the treasurer, has to be mindful that we have a good cash flow and make a good profit. We do a lot of performance measurement here. Generally speaking, as long as we're fulfilling our vision, we're successful. (See sidebar above.)

Q. *How does learning support the goals you mentioned? Is there a link for you between the company's learning efforts and its vision of success?*

Ross: How can there not be? Learning is like breathing for us. We operate in a changing world. In our industry, we have globalization; we have low-cost competition; and we use a lot of technology. If you don't learn in this industry, you'll go out of business. Our competition is learning, so we're learning all the time.

David: Our vision speaks about being a progressive, ethical, and respected manufacturer and employer. We just had our state-of-the-company meeting, and we spent a long time talking about our vision and the notion of taking a journey to get there. Learning is part of that journey, so we view learning as being clearly integrated with strategy.

Q. *With that in mind, how do you decide what your investment in learning should be? What guidance could you provide about how much to invest in learning?*

Just Born's Vision

Continuing as a family-owned confectionery company, our commitment is to be a market-driven, quality business enhancing our reputation as a progressive, ethical, and respected employer, manufacturer, marketer, and member of the community.

Just Born's Mission

Aggressive growth and above average profitability through superior leadership.

David: If your organization is a reasonable size and you believe in the learning process, hire somebody who knows what they're doing in that arena. They're the ones who help you understand the value chain and how much you should be investing. They help you establish a benchmark of where you are and where you should be. Then you can understand the investment needs in dollars and cents, and ultimately in terms of time capital.

As we grew from a modest size to become a larger organization, we realized that to move toward our vision, we had to change the way we did things. So, we creat-

ed an HR department. At first, training wasn't a part of that. But as time went on, we realized that in order to grow the company and have all of our associates contribute, they had to advance their skills. In the early years, we contracted out the training to colleges and universities and third-party vendors. When we came here (to the new factory in Bethlehem), we recognized we could do some things inside, too. But it was when Meloney (Meloney Sallie-Dosonmu, manager of organizational effectiveness and talent) came here that we really advanced the cause of training.

It's been a full progression for us, and it all started because Ross and I understand the value of learning and how important it is to continuing the growth of the business and ultimately how important that growth is in striving toward the vision.

Ross: I want to emphasize the importance of having a vision because when we hire and recruit, whether it's for staff, stakeholders, or suppliers, we need to know where we want to be. If we hire people who don't have the necessary skill sets, then we become Just Born University. That's not our job.

Defining our vision has been a gradual process for us. When we came here (to Bethlehem), we were a "bi-coastal" company. We had a lot of business in California and in the Northeast, but not a whole lot in between. We wanted to grow and become a national brand. You can't do that if you don't have the right people with the right skills.

So first things first: You have to know where you're going and then hire people who are going to take you to that point. But that's a moving target, and it's why we're continuously learning. It can be tempting to say, "To save money, we're not going to do any training for

the next three years because we feel pretty comfortable.” Then you have to make up for lost time, but you don’t really make it up; you just fall behind. We believe learning should take place gradually and steadily.

David: It’s important to lay a foundation, too. If you look at the philosophy of our company, you’ll see at least three statements that speak to learning. One talks about mistakes being an opportunity to grow. Another one talks about the value of what we learn from one another. And a third supports an environment where people, ideas, and creativity can flourish.

Part of the learning process is helping all of our associates learn, particularly those who have been here for a long time. For example, we had an employee who worked here for 50 years. In his 47th year, when we talked about the kind of training we would be doing, he said, “I’ve been at this job for 47 years. I like what I do, and I do it very well. I don’t want to be bothered with anything else. Just leave me alone, and I’ll keep doing what I do.”

You know he probably had a lot of followers. It took a little while, but between the tone we set, the philosophies we espoused, and, I think, a reasonable attempt to bring learning to the organization gradually, even he, before he retired, accepted new challenges of learning. While you don’t get everyone, for the most part we’ve been pretty successful with that approach.

Also, I’d like to talk about my father, may he rest in peace. He spent 70 years working here. One of his favorite things to do was read every order that came in. In the early years that wasn’t so difficult, but the orders grew. And when he got close to 90 years of age, he couldn’t see the orders any more. So the IT team put a computer with a large monitor on his desk, and at the age of 90, he learned how to use a computer to look at the orders. I think that set a tone here. We tell that story a lot because it shows that anybody can learn anything at any age given the motivation.

Ross: I’ll tell you what is a challenge for CEOs: making sure that all along the chain down through the organization and out to the stakeholders that we reinforce the value of learning. How do we make sure that our supervisors in the production area are reinforcing the positive aspects of learning? How do we teach supervisors to train people whose last educational experience might have been decades ago and might not have been very positive?

Q. *What about linking specific development programs to specific strategies? Are there links between developmental programming and the goals of the company?*

David: I don’t think there’s any question that today we have a clear link between development programs and the goals of the company. One example that comes to mind right away is succession planning. The goal is making sure we’re preparing the next group of leaders. So all our development plans are geared to making sure that those who have expressed a desire or have been identified to move up in the organization have the right kind of training available to them.

Q. *One of the things we encourage learning professionals to do is show the quantifiable value of learning’s impact on an organization. Are there key metrics that you look at relative to learning and its impact on the organization?*

Ross: People here need to get the job accomplished so we measure them based on performance, not on the amount of training they’ve had. We have to be effective at performing the mission that comes from our vision to grow aggressively. We measure growth. We need to have above-average profitability. And, we need superior leadership. The only way we can accomplish aggressive growth and above-average profitability is through superior leadership.

Q. *Let’s take it from another angle. You’ve got Mark McLaughlin, as vice president of HR, and Meloney Sallie-Dosonmu, as manager of organizational effectiveness and talent. How do you know that they’re doing a good job?*

David: You can see it when you walk through the factory. You can tell just by having conversations with people on the line.

As long as we continue to see positive business results compared to the year before, we have faith that Mark’s and Meloney’s work is having a positive impact. You also need a CEO with the vision to say learning is important and to have the intestinal fortitude to stick to it.

Q. *That’s a great point. There’s an unfortunate tendency for companies to cut training when times get tough. If something should happen and your sales started going down, where would you look?*

David: You need to continue to learn because if you lose people in a downturn, you still have to carry on with whatever you have left. You can only do that if you continue to learn. And part of that is learning from the mistakes that got you to the point that you were laying off people.

Ross: People in this community saw Bethlehem Steel go from 300,000 people to zero over a period of 25 years. One of the early cuts they made was research. And that was a bad decision because then they lost their edge. They kept making the same products in the same way and didn't learn about new steel technology and how they could make better steel.

Q. *You seem to be implying that it's important to keep employees engaged in moving the company forward. How does an established organization such as this one try to foster employee engagement?*

Ross: It has to do with what drives people. People work for a lot of different reasons, but what makes them good at what they do? I believe that people want to feel that they make a difference and that they're counted upon. We try to recognize that our employees are real partners in the business. We couldn't succeed without them. Not long ago, we began to call our employees "associates" as a sign that they are partners. Some people weren't comfortable with that notion, and there are some employees who don't feel they are associates of the business. But we're working on it.

Q. *When you want to bring someone into the organization at a leadership level, what attributes are you looking for?*

David: They have to like candy.

For me personally, it's all about attitude. That's really all I care about. Give me somebody who's got a great attitude and I can teach them anything. Somebody who has broad knowledge but has a poor attitude is useless. We recently started a behavior-based hiring program to help us learn more about the attitudes of prospective employees. I want somebody who's thrilled about coming to work here because it's a great atmosphere and we have great associates.

Ross: I agree with David that attitude is really key, but I disagree about how much we would have to teach them. As I said earlier, we're not Just Born University. So somebody who has a great attitude but can't handle the job shouldn't be here. We need to make sure that we're bringing people in at the right skill level and that they can easily go where we want to take the company. That's true all across the company.

For people who've been around for a long time the challenge is to help them understand that they need new learning and that if they can't learn and grow

with the business, then it's time to move on. That's tough, but it's part of leadership. Companies that don't have strong leaders often put up with mediocrity, but our competitors don't allow us to be mediocre. But we also have to live with ourselves and go home and sleep at night. We have to know that we've made the effort to help people get closer to their level of potential.

David: Maybe a piece of the problem is that people don't learn enough in their college years about what's expected in business. CEOs today complain that they're becoming responsible for that education. We need to push colleges and universities for a curriculum that matches the new world of business. Schools don't teach a lot of leadership and entrepreneurship.

Ross: We are involved in the schools here—in elementary and high school education. Our people work with schools on the curriculum. The superintendents of schools have been here—many of them within the last six months. We work with the Governor's School on Entrepreneurship here at Lehigh University. We also work with the Council on Economic Education. And David speaks to college students about corporate responsibility.

We're thinking about building an education and visitor's center here (at the plant). One of our goals is to show people that business can be good and that people can feel good about where they work. That's part of education, too. **TD**

Ross Born and David Shaffer were interviewed by **Tony Bingham**, president and CEO of ASTD, and **Pat Galagan**, ASTD's vice president of content; pgalagan@astd.org.