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EXPERIENCES IN LEADERSHIP DEVELOPMENT BY THE KELLOGG FOUNDATION

Gary King

The Kellogg Foundation and the University of Georgia entered into a partnership for the establishment of the Georgia Center for Continuing Education facility in 1956. More recently, that partnership was reaffirmed by another grant for continuing programming in adult education and for facility expansion. The Georgia Center has been one of the most successful facilities in the series of residential centers assisted by the Kellogg Foundation, beginning with Michigan State University (MSU) in 1951.

There is perhaps no subject more vital to Kellogg than leadership in rural areas, among farmers, and among rural residents. The Kellogg Foundation has supported leadership projects for a number of years, many concentrating on rural areas. My paper is divided into three parts: 1) Information about W. K. Kellogg and the Kellogg Foundation, 2) Description of two leadership activities that have been supported by the Foundation, and, 3) A few observations about the phenomenon of leadership.

THE KELLOGG FOUNDATION

Mr. W. K. Kellogg had a checkered career. He was at one time a broom salesman. He had a series of undistinguished jobs, but he wound up in the 1870's and 1880's being the business manager of a health facility in Battle Creek, Michigan. At that time Battle Creek was the world headquarters of the Seventh Day Adventist Church. As you may know, the Seventh Day Adventist Church members are vegetarian and very much health oriented. One of the first things they did was to establish a health facility in Battle Creek which they called a sanitarium.

Sanitorium was the name given to a tuberculosis facility, but this was a sanitarium and it had different objectives. It was to serve as a treatment facility for acute health care but also to serve as a place for disease prevention or health maintenance. Thus, the program included exercise and a lot of attention to diet. In their dietary program they experimented with different kinds of foods, many of which were grain based, light and easily digestible. The sanitarium rapidly became a very popular place for people to visit. Not only could you get a cure but it also took on aspects of a social phenomenon in the United States. Many celebrities came to the sanitarium. Mr. Kellogg's brother,

John Harvey Kellogg, M. D., was appointed director of this facility. He was somewhat of a showman. He used to wear a white suit and pedal a white bicycle around the grounds being gracious and relating closely to the participants, the customers, or the patients. Mr. W. K. Kellogg assisted in managing the sanitarium.

One of the patients at the sanitarium in the early 1890's was a ex-hardware dealer from St. Louis. He had a nervous condition and came to the sanitarium for treatment. While he was at the sanitarium, he began to get the idea there might be general market possibilities for some of the foods that he experienced while in treatment. He was particularly interested in a coffee substitute that was made of roasted grain, so it would look brown, but didn't have the contaminating affects of caffeine. When he was discharged from the sanitarium, he set up a factory in the eastern part of the city of Battle Creek and began to manufacture this coffee-substitute product. He named it, very modestly, Postum as his name was C. W. Post. He made a lot of money selling Postum and decided that he would market another preparation that he experienced at the sanitarium which he named Elijah's Manna. He was trying to trade upon a connection with the Church but was quite unsuccessful. Later this product became known as Grape Nuts-- no grapes and no nuts, but nevertheless Grape Nuts. They sold quite well and then he went into Grapenut Flakes.

Meanwhile, Mr. W. K. Kellogg observed Mr. Post's success and he thought maybe there might be enough room for a couple people in this business. And, in fact, in Battle Creek at the turn of the century, other people were reaching that same conclusion. There were about 40 to 45 cereal companies that were established there making a variety of products. W. K. Kellogg had discovered the preparation of Corn Flakes through experimentation and much trial and error. He could not get a good taste in the product but one time he let it overheat by mistake; the sugar in the corn caramelized and imparted a good taste. Once it was toasted it tasted pretty good. So in 1906, he quit his association at the sanitarium and established the Kellogg Cereal Company. The rest, as they say, is merchandising history.

W. K. Kellogg believed very heavily in advertising. One of the advertising schemes around 1917 was, "Wink at your butcher and see what happens." What happened was that he would hand you a small trial size package of Corn Flakes and once you had the Corn Flakes and ate them you would love them forever as we all do. It became a merchandising technique that was very successful and he began selling a larger volume of Corn Flakes.

He then found out that if you had a lot of money, people would come to you and suggest ways in which you might use it (through which they might benefit). He engaged in private philanthropy for a number of years. He was very positively oriented toward trying to improve the delivery of health care generally and particularly in seven counties in southwest Michigan where the first significant activities of his foundation were conducted. He established the Foundation in 1930 to organize his philanthropy and he originally endowed it with about 65 million dollars. The Foundation operated in seven counties in Michigan and employed physicians, nurses, and public health officials. A relationship was established with Michigan Agricultural College (later Michigan State University) in providing educational opportunities for adults.

During World War II, the Foundation became interested in Latin America at the request of the State Department. In the post-war period it became involved in programs in Europe because of a feeling of need to help Europe rebuild in the spirit of the Marshall Plan, and to help Europe regain its capacity to feed itself. In the 1960's and 1970's, the Foundation expanded activities in Canada, Australia, and New Zealand. But in the early 1980's, it was decided that we would phase out our operations in Canada, Australia and New Zealand, and Western Europe and increase our activity in Latin America and the Caribbean. It was further decided that the Foundation would explore opportunities in the southern portion of Africa. So, we're currently involved in those geographic areas.

There has been a great growth in the holdings of the Foundation. We started out at about \$65 million in the 1930's. Currently, the value of the Kellogg Foundation stock is somewhere around \$3 billion. But we are not as nearly concerned about the paper value of the stock as we are with the income generated from the stock and other holdings. Our hope is that the income will continue to be good as it has been in the past few years. When I first came to the Foundation in 1968, the pay-out that year was about \$17 million. This past year it was about \$95 million. So there has been growth in the magnitude of the funds which we are able to apply to charitable activities.

The Foundation has some operating philosophies that are highly oriented toward application of knowledge rather than its generation. Thus, we very seldom support

research. We do support education and programs designed to put knowledge to work. Mr. Kellogg felt that there is more knowledge available than is being effectively utilized. He also was very much in favor of education. Education, he said, is the best means of improving one generation over another. So, the Foundation that bears his name applies perhaps 70% to 75% of its annual disbursements to educational programs in its three areas of interest which are health, education, and agriculture.

KELLOGG LEADERSHIP PROGRAMS

The Kellogg Foundation has supported a number of leadership programs, but I would like to describe very briefly the two that have had the most impact on rural areas. The first is a series of State Rural Leadership Programs. The second is called The Family Community Leadership Program.

The first of a series of state rural leadership programs began in 1965 at Michigan State University (MSU) and was called the Kellogg Farmers' Study Program. The objective of the program was to provide leadership training opportunities for emerging leaders in agriculture, forestry, and agribusiness. The goal was to train leaders to serve as well-informed spokesmen for agriculture and rural areas, to have knowledge about how decisions were made in the public sector, and to gain sophistication about how to get viewpoints established and acted upon. It turned out to be a very good model. It was organized to include 6 or 7 two-day seminars a year at Michigan State's campus. Participants came from throughout the state to learn on leadership topics, leadership styles, leadership skills, the effects of leadership, and, perhaps more importantly, gaining knowledge about how society works. There were also travel seminars that took the participants to the state capital so they would gain a better understanding of how state government works. There were national trips to our nation's capital and the program included international travel study/seminars to enable the young leaders to gain some appreciation of the place of their particular enterprises in the world scheme of things.

That original model at MSU was emulated in California, in Pennsylvania, and in Montana. The Foundation commissioned an evaluation of the total program. A national dissemination meeting was held at which it was said the Foundation would be willing to entertain requests for additional replications, if states were interested. We finally supported a total of eighteen projects nation wide in twenty-three states. One was in New England where six states were combined. Since that time, five or six states and the Province of Ontario have picked up the idea and have supported the model with their own funds. The model has also been used in Great Britain and Sweden through grants of the Foundation. So that's one model and it has had good results.

The second model is called The Family Community Leadership Project. It had its genesis in the State of Washington. Charline Warren was the national president of the Extension Homemakers Council and she, along with a number of extension people in the State of Washington, put together some plans for family and community based leadership education. The rationale was that homemakers were beginning to want educational programs in addition to the traditional family, textiles, and cooking subjects made available by the Cooperative Extension Service. They wanted to know something more about public affairs and how individuals could participate constructively in public decision making. Thus, a program of educational opportunities was developed in the western states of Washington, Oregon, Colorado, New Mexico, Alaska, and Hawaii.

In this program also there was a series of seminars on participation in public affairs. There was also a multiplier strategy. People who participated in a regional institute or seminar would then become teachers at the state and local levels. The Foundation again supported an evaluation and then a national dissemination conference during September 1986 in Denver, Colorado. There it was announced that the Foundation would entertain requests for support to additional projects from states interested in replicating the FCL program. We have so far made four new grants and the likelihood is that we will make as many as 40 or 45. I am happy to report that some people at the University of Georgia are working on a plan and in all likelihood will institute a Family Community Leadership project in Georgia.

RESULTS OF THE KELLOGG FOUNDATION LEADERSHIP PROGRAM

There are some results and observations that can be made. First, there is substantial evidence of program effectiveness in the performance of participants. Some participants have become state legislators; some have become government officials at other levels. Most have participated in their own communities as school board members or members of governmental commissions. They have testified about how participation in these projects has affected their lives. There are many people now motivated to assume leadership roles and who possess some enhanced leadership skills. In addition, the enthusiasm with which our models have been received by people in other states and countries and the rate of their adoption indicates the programs are meeting a felt need for participation in public affairs and in organizational leadership.

Finally, the programs have pointed up an interesting fact. Participants in these programs have testified that they gain as much from each other in expanding their knowledge and perception of their function in society as they do from the formal sessions arranged for them. So, the mere fact of providing a

vehicle for getting them together is positive. Importantly, these programs and other leadership programs constitute a kind of anointment of the participants as leaders. They are identified as leaders. Material given to them is identified as leadership information and they are identified as gaining leadership skills. They are asked to assume leadership roles and responsibilities and thus set in motion a self-fulfilling prophecy.

LESSONS THAT HAVE BEEN LEARNED

First, it is apparent that leadership can be taught by teaching leadership behavior. Leaders are made, not born. We can prepare people, who might not otherwise have the confidence, to perform in public and assume leadership responsibilities. Not only can leadership be taught but motivation can be imparted and perhaps that is equally important. Second, there is a continuing need for leaders in the United States. In a democratic society it is very important that we have citizen leaders. There are hundreds of leadership programs going on throughout the country, but very few are oriented toward agriculture and rural areas. This is one area in which our Foundation has addressed a need. Third, quality of leadership is essential in rural America. When it comes to rural economic development, communities can not change their locations. They can downplay the fact that they are not on an interstate, but they can not very well move the community. They can not change their natural resource base. But they can improve the capacity of their leadership and that is very important. It is amenable to improvement.

The Foundation recently began work on an emerging program area called Rural America. We are interested in new cooperative methods and means of delivering public services in rural areas. In these days of restrictive budgets and diminishing federal presence, States are waking up to their responsibilities but are not yet geared up for action. It behooves small, rural governmental entities to cooperate and coordinate their resources. Governments have had the luxury in the past of each working with its own budget and concentrating on a rather narrow set of goals. They have not worried much about overlap of services and inefficiencies. They have been much more concerned about turf protection. A number of rural areas are now beginning to entertain the notion of getting together and trying to develop ways to deliver services that are not as costly and that are more effective. Georgia ranks high among the states in the number of counties and municipalities. I am sure that there are people in those counties that are interested in exploring alternative ways of operating and in exploring cooperative relationships.

The Kellogg Foundation is interested in supporting experiments in cooperative government and developing some models for people to consider. Second, we are interested

in training local government officials. Government officials are elected for reasons that do not necessarily relate to management qualifications for the job for which they are elected. They often recognize they need help but they often have difficulty taking advantage of opportunities that exist. They do not have much flexibility in terms of time or budgets. We are interested in giving them access to in-service training.

The Kellogg Foundation is interested in more community based and community focused leadership development programs. Currently we are contemplating exploring the possibility of a project in Georgia that would include these elements in cooperation with the University of Georgia. I know that the University has broad experience in community leadership and we are interested in helping to build upon the experience already available.

The W. K. Kellogg Foundation has supported leadership development programs in rural areas for some years and will continue to do so in the foreseeable future. We at the Foundation are convinced that our investments in leadership development are some of the best that we have made.

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