

WALKING THE WALK OF YOUR PURPOSE: KENT JOHNSON OF HIGHLIGHTS FOR CHILDREN

Kent Johnson:

They were lifelong educators. My great-grandfather was an educational psychologist. My great-grandmother taught in a one-room schoolhouse.

They really developed a set of ideas about what children needed, what would be healthy, positive development. They thought that no adult really gave children the credit for how smart they were, how capable they were. And they did that together. I mean, as a team. My great-grandfather had a six-day a week syndicated newspaper column that went on for three plus decades. Then they traveled the country together, speaking to audiences of teachers and parents about approaches to child development.

They spent a lot of time in the car, and they would talk about what if they had full control, how would they make it better? How would it be different? How could it do more for children?

And that really led them to the opportunity, where at age 59 and 61, they started their own magazine. They started their own company.

Esther Choy:

At the age where most people would be preparing for and entering retirement, the founders of *Highlights for Children* magazine decided to start their own business, based upon a shared conviction and purpose. And this purpose has been passed on through five generations. So how does this purpose manifest itself through different aspects of this family business? And how, if any, has it helped it weather different storms?

Hi. My name is Esther Choy, the executive producer and your host of the John L. Ward Center for Family Enterprises' own podcast series: Family IN Business. A podcast that features stories of leaders, their families, and the family enterprises they transformed.

In the previous episode with guest, Enrico Leta, we've explored how he used design thinking and his trans-generational entrepreneur gene to find his purpose, after his father's generation decided the best future for their family business was rested on not letting him and his cousins join the business.

In this episode, with our show's advisor Dr. Jennifer Pendergast at Kellogg's Ward Center, and a new guest expert, Dr. Brooke Vuckovic, executive coach and clinical professor of leadership at Kellogg School of Management, we're going to dive into the story of a fourth-generation CEO, a physicist by training, Kent Johnson's leadership story.

Who's Kent?

Kent Johnson:

My name is Kent Johnson. I'm the chief executive officer of *Highlights for Children*.

We are the largest children's magazine in the world.

15 years back, we celebrated our 60th anniversary. At that point, we got to hand to a girl in Dallas, Texas, the 1 billionth copy of *Highlights Magazine*. In terms of print, we've been around a long time. We've been pretty big. Our first print run was just 20,000 copies back in 1946. Our estimates this year, when you take magazines, all the other products, all the places our content reaches kids, including 40 countries outside the US, that will touch more than 10 million kids this year. We are the largest children's magazine in the world, and we like to say the most loved as well.

I love the numbers, and yet ... We always talk about, and try to hold in our head, what's that mailbox moment for one kid? Or what's that image of one child who's had a bad dream and whose parent is reading them back to sleep. We want those very concrete images of an experience a child might have, a moment, and then we multiply it by the numbers. The numbers themselves are not inspiring unless we think about, what's actually happening with children?

I'm fourth generation. My great-grandparents started our company. Although I was raised in the family with an idea of stewardship and love of the company, you might say, I did almost everything I could to not come work at the family business.

Esther Choy:

Then, how did he end up being the CEO of the family business? Well, before we hitch a ride on Kent's personal journey, let's make sure we get a clear and high-level view on how purpose had set at the very origin of *Highlights'* founding story.

Your great-grandfather invented this whole concept of Fun with a Purpose. Your company newsletter is called The Purpose. You even have a Chief Purpose Officer. It seems, to an outsider, your family's blessed with this DNA of purpose.

Kent Johnson:

Yeah, I don't think it's about DNA. I know I'm a family business person, but I don't think I get to sit here and talk to you today, except for generations of employees, our team members who've been wired and have bought in, and learned, and participated and helped expand and grow that purpose. For me, it's not as much about DNA, but I do think there was something about our founders and the sort of story about how they founded the company that created a lens that had purpose as almost a launching point.

Esther Choy:

For *Highlights for Children*, the founding of the company was based on a core purpose through which generations of family members as well as employees who have learned about, bought into, and helped grow that very purpose.

So, what is the story behind the founding purpose that has permeated through generations?

Kent Johnson:

For me, what's interesting about that is they weren't young pups innovating and startup, this whole idea. They're just out of college, let's build a company, have a business case. That wasn't their story.

They were lifelong educators. They were involved in really, a group of people launching a parenting movement in the twenties. My great-grandfather was an educational psychologist. My great-grandmother taught in a one-room schoolhouse, did a lot of teaching, got a lot of education, more than many women were able to at that time. Then they traveled the country together, speaking to audiences of teachers and parents about approaches to child development. And they did that together. I mean, as a team. My great-grandfather had a six day a week syndicated newspaper column that went on for three plus decades. Those aren't starting company ideas.

But what they found is, over their career, they really developed a set of ideas about what children needed, what would be healthy, positive development. They thought that no adult really gave children the credit for how smart they were, how capable they were. That whole series of beliefs, and they started working for children's magazines at the time, consulting with them on content, on how those ideas should come in content. They were even working at one called *Children's Activities*. As they went around the country talking about that, they spent a lot of time in the car, and they would talk about what if they had full control, how would they make it better? How would it be different? How could it do more for children?

And that really led them to the opportunity, where at age 59 and 61, they started their own magazine. They started their own company. And it really, because of this whole career of experience, the idea was let's throw all of that into the purpose of what this product and what this company is, because we want to serve children directly at that point.

We have a foundational belief, and this one we've just never varied from and never will. That foundational belief is that children are the world's most important people. Full stop. The second is the belief that childhood, childhood itself, is a short, sweet season and it is worthy of the serious critical, skilled, excellent attention of adults. We don't have much time. I remember, early on in my career, just as a CEO, and people would say, well, will you get on this plane and go to this conference? I'd always remind myself that I have a four-year-old at home.

I have 365 days with that four-year-old. So, am I willing to give up that short, sweet season to go on this business trip? I think that is the idea is there's a lot going on with these children. It's a short, sweet season and they deserve the loving attention of adults throughout all of it.

Brooke Vuckovic:

So, you can think about purpose as having different levels. And they should all be congruent with one another, but purpose isn't always about existential purpose.

I'm Brooke Vuckovic, and I am a clinical professor of leadership at the Kellogg School of Management. And also, I am an executive coach.

"What am I doing on this planet?" Sometimes it's that. In addition to that though, there is daily purpose or my annual purpose or this purpose of this meeting. And I think people can get tangled up and thinking that defining one's purpose is always an existential issue.

Esther's narration

What's important here and Brooke's assertion on the different level of purpose is similar to what Dave

Evans in the previous episode stated, live purposefully. Live coherently. Who you are, what you believe in and what you do should be in alignment.

Brooke Vuckovic:

As a leader, you also need to think about how your professional purpose, how this job where you are spending 10 to 12 hours a day likely feeds into the larger purpose of who you want to be as a human being. And that is what is at the center of my work. And I think that's what is the power for people when they have something that they can return to again and again, "why do I do the work that I do?" That can stabilize them and ground them, then they are able to connect with other people.

I think a common pitfall is that people make purpose so weighty that whatever they come up with, it can't possibly live up to what they want it to do.

Consider your calendar a moral statement.

I think the thing that you want to think about here is, are you consistent? Do people experience you as showing up differently every day? Are your actions aligned with your words and whatever you state your purpose to be? If you are out of alignment and in no way, shape or form, are you demonstrating your purpose with your time, with what you prioritize, with what you spend time doing? I mean, this is the old adage of your calendar. Consider your calendar a moral statement.

Esther Choy:

Remember Kent's comment earlier about despite his love for Highlights and being raised to be a family steward, he did almost everything he could to not work for his family business. So, how did he end up being the fourth-generation CEO?

Kent Johnson:

My first love in terms of what I experienced at school was science and math. and I found that I just loved physics, so I ended up studying physics in college. I took a short break from education to go teach high school physics and developed this incredible lifelong respect for teachers.

Esther Choy:

Kent's being a bit too modest here. He's actually Dr. Kent Johnson. His doctorate is also in physics. But from that point on, his path back to Highlights wasn't linear anymore.

Jennifer Pendergast:

Your life is a series of experiences. And if you're fortunate enough to have interesting ones with interesting people in your path and then to be open, then you never know where it will go.

Esther's narration

That's professor Jennifer Pendergast, executive director of Kellogg's Ward Center for Family Enterprises.

Jennifer Pendergast:

I've worked with families to think about what's your individual purpose. What really drives you as an individual. And then let's talk about what the family's purpose is and where do they overlap.

Kent Johnson:

What I did is I actually went and worked at a startup medical diagnostics biotech company. I was fascinated to try to work with really talented people, to use our technical skills to bring good solutions to help pharmaceutical companies, discover new drugs that could treat disease, to bring solutions to human health. So, I spent about six years in biotech. Then, after that, I found myself with a little more experience learning more about the business of *Highlights for Children*.

I was invited to join in a rotating seat on our board of directors. What I saw blew me away. This wasn't the simple magazine I'd grown up knowing about. This was a multi subsidiary, complicated company with really talented executives. What I realized, there were also pretty significant fundamental business problems around changing consumer tastes, around technology, around, how do you innovate? How do you advance a mission-driven company when the world's changing quickly? And that seemed pretty interesting.

That started a series of conversations where, back in 2004, I found myself with a small child in a car seat, moving from one city to another, changing careers, kind of embarking on parenthood, kind of doing all those three things at once, and that landed me as an employee here at *Highlights for Children*.

Esther Choy:

I don't know why but at this point of the interview I was reminded of the outgoing German Chancellor, Angela Merkel, also trained as a physicist. Instead of heading a company, she has been leading a country, the largest economy in the EU. I wonder, is there anything in the training as physicists that prepares them as leaders?

Kent Johnson:

Yeah, that's a good question. I think one of the things about being a physicist and then also being a physicist who went into a different area of science and research is that, often physicists, don't necessarily see the edges and the boundaries of different disciplines. Being a physicist that went into biotech, I kind of had the experience that I've felt empowered to try to learn all these new things. I think that helps me as a CEO. It helps me as a leader, because whereas I really don't have the experience to do almost anyone's job in this whole company.

I'm curious enough to try to learn many, many different things and be able to participate in the conversations with the experts within our company who do those things. I think that's helpful. I think, being trained as a scientist, it's always about how do we know what we know, how are we going to learn what we need to learn? What do we need to know? What are the assumptions we're making those kinds of intellectual dialogues that we have together or I might have in my head, I think are really important parts of business.

You have to understand how to measure risk and sort of try things, learn from them, and then continue.

Esther Choy:

Measure risks, try new things, learn from them. Those are the steps that Kent Johnson takes to lead his family business in the fast-changing publishing industry in an even faster changing world.

But sometimes there are risks that can't be easily measured or mitigated, at least not with the conventional risk management approach. Because sometimes, there are morally complex situations.

Brooke Vuckovic:

When you are in matters of moral complexity, and that's what we're talking about when we're talking about the toughest decisions that leaders must make. And moral complexity means there's no apparent and easy right answer.

Esther Choy:

This is when a family enterprise leader really needs fall back on his core purpose so that he or she can arrive at the right decision and summon the courage needed to execute on that decision. For a few years leading up the middle of 2019, Highlights faced just such morally complex situation.

Kent Johnson:

We were watching, at that point, media coverage of children being separated from their parents at the border. We felt at that time that the coverage wasn't really focusing on the children. It was focusing on the politics or lots of aspects that seemed to us to be missing, the fact that these really ... If we thought about them as our children, we might write the stories a little differently, and that did lead to us thinking, and then writing a statement that we eventually put out on social media that got some attention.

Esther Choy:

“Some” attention in this case meant 9 million organic impressions in social media, as well as major media such as the Washington Post, CNN, CBS News, USA Today, and the like. So, what did they write that generated so much attention?

Kent Johnson:

It was a very divisive political time. And we tried not to write a political statement. We tried to write a statement that articulated the idea that, shouldn't all children have a right to the opportunity to become their best selves?

I see it as part of our purpose to try to speak up where kids maybe don't have as much voice as they ought to.

Esther Choy:

Speaking up in this case meant that Highlights released a statement on Twitter, denouncing the policy of separating migrant children from their parents as “unconscionable.” And this public statement began with:

As a company that helps children to become their best selves – curious, creative, caring and confident – we want kids to understand the importance of having moral courage. Moral courage means standing up for what we believe to be right, honest, and ethical – even when it is hard.

Kent Johnson:

Any time you're willing to do almost anything, there's a chance that you're going to be criticized. there's always a risk, and in that case, we got lots of hate mail. We got people very upset and canceling.

People feel like they have a relationship with a magazine. So, if somebody has had a long relationship, maybe someone had us in their lives as a child, and now as a parent, they're participating, and we make a statement or take a position that they may not like, it's a little different because there's a relationship.

Yeah, we do get communication when people are unhappy and cancellations. It was interesting, when a couple of these things that had maybe gotten a little more attention, and when we get cancellations, and I often cut it off and say, I don't want a report of the number of cancellations. I'm not interested, because I don't want people internally to think we follow our beliefs or our values based on a calculation of what will short term hurt or not hurt our business.

For me, the issue is, with our employee base, with our future customers, with parents across America, we have to be consistent about what we believe, and we have to act in accordance with that. We're not going out to find a fight. We want to find issues where everyone, we actually believe any position we take, that any parent who cares about a child, if we could talk to them enough, they might agree with us. That's not always what happens in the world, but I think it's pretty important not to make these decisions on short-term metrics of likes and dislikes in social media or cancellations or new subscriptions.

I think that our long-term value comes from really knowing who we are and what our beliefs are, what our values are, and then walk the walk. I just have an optimism and confidence that our beliefs are aligned with the common aspirations that people have for their children, that if we walk that walk, there's going to be enough people who want to be part of the Highlights family, want to buy our products and become Highlights kids in their own homes.

Esther Choy:

In essence, what Kent and Highlights had done here exemplified what Brooke would recommend leaders do when managing moral complexity:

1. Get grounded.
2. Stay fluid.
3. Get connected.
4. Keep going.

Brooke Vuckovic:

So moral complexity, you must get grounded. That's that purpose. However, you also must stay fluid. If it is a morally complex matter, you have to constantly reassess what's happening. You must be able to get information and data from various sources.

And then the other two things you have to be able to do in that moral complexity is to stay connected. You cannot communicate enough. Communication matters. It matters deeply. And this is the storytelling, right? The ability to communicate about morally complex issues. And then finally, you just have to keep going because things do change and they evolve and new information arises, and you have to find the way to connect within your organization and then keep moving forward together.

Esther Choy:

Living up to the purpose isn't just about the family owners. Based on Kent's story, I can see there are three other major areas that family leaders like you need to pay special attention to.

1. How do you recruit non-family employees and executives who believe in your purpose as much as you do?
2. How do you align your values with that of your partners when you expand into different countries?
3. And how do you have a coherent communication plan internally and externally to communicate your purpose and values over and over again?

Let's look at one thing at a time.

Kent Johnson:

I remember, once I said to my uncle, I said, "I think my grandmother," Betty, who's passed now, "I think my grandmother would have the following feelings about me joining the company. He looked at me and he said, he shook his finger, he said, "No." He said, "If you're coming here to make some ancestor or some relative happy, if you're doing this to serve some other objective, don't come. You need to come here if you want this job and if you believe what we're doing and that you can contribute."

That stuck with me, because I think in the world of family businesses, or even as we recruit anybody into our business, it's really important they want to be part of the mission, that they want to come to the company for what we're doing. That was a really important thing to hear when we had that part of our conversation.

I'm recruiting executives who've worked at big companies, have worked at public companies, and the conversations we're having is, hey, come to this family business. What I can promise you is a commitment to purpose and mission. I can promise you, if we build something great, we have the stability of ownership that it's not going to be ripped apart by some venture capital or some change in public markets that will have the ability to sustain what we're building. And oh, by the way, it's purpose-driven.

When you can offer someone, that at the end of the day, their effort has gone to something more than money, and it's gone to a purpose, a vision for the world that's meaningful to them. I think it's an incredible advantage for recruiting. That's what we sell.

Esther Choy:

Touting to potential recruits that Highlights is a purpose driven company, that by joining Highlights, they can help build something that's bigger than themselves. This intangible value is hard to compete with, at least not with monetary compensation alone.

Then, what about with partners? *Highlights* is a magazine with substantial intellectual properties. How does it work as they expanded into markets such mainland China?

Kent Johnson:

We can't just create a company that we own fully in China. But what we do is we work with typically Chinese-owned companies. So, we work with a whole variety of different ownership structures. You could imagine a Chinese company that's running many sites of a private English language learning or a private pre-K. We work with a number of companies that serve early childhood education. So, they're making the content, they're sort of working with the regulatory kind of processes to sell and market. We're not putting, in China right now, people on the ground or our own organization. We're working with Chinese companies.

It's about finding those partners, that even across the language and the cultural differences, that our company's kind of a point of view about what we hope to achieve for children.

Esther Choy:

How do you tell? In general, it's a polite culture, but how can you tell they really believe in it? Can you tell anyone who really believe in it versus yeah, of course children are the most important people in the world?

Kent Johnson:

Yeah. I think it is challenging. I think you can't simply ask the question directly because the answer to any question that would probe that is always yes. For me, and I think about it, even some interviews I was doing today of people we might have work with us, I pay really close attention to the nature of the questions they ask. When we talk about mission, how interested are they? How much do they want to understand the nuance? Is that something that they want to just have a small amount of time and then we move on to money? Or are they really asking about that? Does it seem important to them?

But then, I'd say the other thing we've learned over time is talk. You do the best you can, but in the end, we need a relationship and we see what we do. How do we behave? How do they behave? Because in the end, what people do tells you their values much more than what they say. So, it takes time.

Esther Choy:

Indeed. It takes time to know what's really in people's hearts, to fully understand their intention, whether it's recruiting future employees or selecting business partners abroad.

This then, speaks to why at Highlights, there is actually a C-suite position called, Chief Purpose Officer. But what is this person actually in charge of?

Kent Johnson:

Yeah. I created the role of Chief Purpose Officer ... Oh, geez, maybe ... roughly two years ago, we created the role of Chief Purpose Officer. In a way, it was making something official that probably had been happening for a long time. Our editor-in-chief and our editorial team live their lives thinking all the time about children, child development, the experiences that children are having in an ever-changing world, and how we can best create content that helps facilitate those experiences.

What I realized is that, and one of the things I wanted to achieve, and maybe you think of the second half of my tenure in this role was figuring out, how could we take the purpose of this company that has often been passed down hand-to-hand in mentoring, in sort of apprenticeship of long journeys, how could we, in a bigger company, in a more rapidly changing world, could we establish the purpose, on the one hand, establish the purpose into the culture in a way that it would be irreversible, that we could make the purpose of the company live in everyone so that it would be very difficult to deviate from a focus on purpose going forward?

That's really the internal aspect of the Chief Purpose Officer's role. I also thought I wanted someone to speak more frequently, more loudly, more articulately out into the public about the purpose of our company. I felt like we have had this commitment to purpose, but maybe we haven't talked to people enough about it, and that part of the role is about being a thought leader and trying to use the fact that, as *Highlights for Children* is turning 75 and we have a certain recognition that it just feels right, that we owe it to the children we serve, or maybe we can use our platform to try to speak for children, to be an advocate for things that are good for children, maybe that are not just within our company or what we're doing, but where we see opportunities just in society.

I mean, children need a voice. If more of us as adults focus on the idea that children are our world's most important people, we might create a better society for all of us. I want my chief purpose officer, I want everyone here just pushing that direction in our country, in our world.

Esther Choy:

By paying close attention to how to propose the value proposition to potential recruits to Highlights, by taking their time and getting to know potential partners abroad, and by establishing a C-suite position called Chief Purpose Officer, Highlights is really expanding the definition of family too, not just people who share familial bloodlines, but everyone who work IN, WITH and FOR the company.

They're all family too.

Jennifer Pendergast:

If you say family business, family is an adjective describing business. If you say family in business, family is the subject. How do they weather the storms that the market throws at them in a world that's very uncertain and disruptive?

If you think about all those things that are so disruptive that happen relatively quickly, then the challenge to the family of how to innovate is how to think more broadly about what's the purpose, what are we trying to achieve by staying together as a family?

Kent Johnson:

If I just look at the context of, whatever their generation, whatever their motivation, people who care about the purpose of our company, when they come work here, they do better. They like it more. We've learned, over time, we really have to select, we want to attract people who want to be here and be part of what we're about, and then that will make us a more successful company, will also allow us to embed the purpose more deeply into the community of employees that we have and into the culture. Humans crave purpose, I believe that.

Esther Choy:

Thank you, Kent Johnson, CEO of *Highlights for Children*! Thanks so much also to Brooke Vuckovic, executive coach and professor of leadership at Kellogg School of Management. By the way, Brooke is the most recent winner of Professor of the Year award. If you're curious about what are some of her most notable qualities won her this distinguished award, check out her free webinar on executive presence.

Just go to our website, WardCenter.net and click on resources. The website is in our show notes as well.

In the next episode, you will hear a brand-new interview format. Instead of me preparing and interviewing our guest, we'll have two guests, two sisters who are interviewing each other about their unlikely journey coming to the family enterprise that they didn't know they could lead. You don't want to miss their story!

Family IN Business, a podcast sponsored by the John L. Ward Center for Family Enterprises, is supported and advised by Professor Jennifer Pendergast, executive director of Kellogg's Ward Center for Family Enterprises. Kane Power is our audio engineer. And, I'm Esther Choy, an adjunct lecturer at the Kellogg's Ward Center, founder of Leadership Story Lab, and author of the book *Let the Story Do the Work*.

Esther Choy is the President and Chief Story Facilitator of [Leadership Story Lab](#), where she teaches business storytelling to organizations and professionals who are searching for more meaningful ways to connect with their audiences. Leaders trained in storytelling find compelling narratives to communicate authentically, inspire others, and create unimagined, lasting impact.

Since 2010, Esther has combined the science of persuasion and the art of storytelling to help her clients gain a competitive edge. Since launching Leadership Story Lab, she and her team have served clients across industries, including United Airlines, Tyson Foods, ZS, McCormick Foundation, Brookfield Asset Management, Adyen, Moore, US Cellular, SC Johnson and PayNet, an Equifax Company.

Esther is the author of the book [Let the Story Do the Work: The Art of Storytelling for Business Success](#). Her work appears regularly on [forbes.com](#), [virgin.com](#), [entrepreneur.com](#), and [ama.org](#). Her podcast, Family IN Business, is sponsored by the John L. Ward Center for Family Enterprises at the Kellogg School of Management, where she also holds an adjunct lecturer appointment. She is a graduate of Kellogg, as well as Texas A&M, holding an MBA from the former and MS in Higher Education from the latter.

Esther spent nearly half her life in Hong Kong, and now lives in Chicago with her husband and two daughters.

Established in 1999, the [John L. Ward Center for Family Enterprises](#) pioneered much of what is known about the collective challenges that family businesses and their leaders and owners face, making the Ward Center synonymous with new ways of thinking about the ownership and leadership of family enterprises. Clinical Professor Emeritus John Ward, along with co-founder Lloyd Shefsky and numerous faculty and staff aligned with the Ward Center, developed a world-class teaching and research center that provides cutting-edge thinking and guidance for family business purpose, vision and strategy, governance, leadership, succession, entrepreneurship in family business, family engagement and cohesion and family business culture.

The Ward Center has built a collaborative family business community among Kellogg students, faculty, alumni and family business scholars, and has developed a global network of successful business families who can learn from - and connect with - each other to generate innovative solutions to current and emerging challenges faced by family enterprises. The Ward Center also creates unparalleled executive programs and conferences to drive strategic conversations about innovations and best practices in the field of family enterprise.

Renamed the John L. Ward Center for Family Enterprises in 2020, the center today is in a unique position to transform the decision-making and strategic thinking of future generations of family enterprise leaders. The Ward Center is dedicated to producing rigorous and relevant research into the unique demands, strengths and evolutionary paths of family enterprises. Results of this research are delivered in the classrooms to all ages of family business leaders.

In addition to our focus on the complexities of family enterprise leadership, governance and strategy, we integrate Northwestern University's and the Kellogg School of Management's authoritative expertise into our curriculum to create a world-class, comprehensive, cross-discipline family enterprise resource.

Our fusion of this deep academic capability with knowledge gleaned from our global community of high-impact business-owning families helps create the Ward Center's unique theory-driven, evidence-based frameworks.

The Ward Center has a three-pronged approach:

- Providing MBA curriculum and programming for students who are part of a family business, as well as students interested in the fields of private equity and venture capital
- Offering executive education courses that cover the full gamut of family enterprise management issues including family business strategy, governance, succession planning, entrepreneurship, family offices and family business culture
- Conducting groundbreaking research, both academic and practitioner-based, to better understand the challenges facing business families