

Case Study

The J.M. Smucker Company

From its founding in 1897, when Jerome Monroe Smucker sold apple butter from the back of a horse-drawn wagon, the J.M. Smucker Company has recognized that acting ethically is a key element of its success. The Orrville, Ohio, manufacturer wants to ensure that its signature comfort foods—fruit spreads, frostings, juices, and beverages—remain American staples, and that its daily operations are guided by honesty, respect, trust, responsibility, and fairness.

Ensuring that the company meets the highest ethical standards starts with hiring people who already have a strong personal value system. To do this, Smucker steeps job candidates in its ethical standards and refers frequently to how company values relate to the particular position a job candidate is seeking. The company also engages in rigorous reference checks. Once hired, the ethics emphasis intensifies. Each new hire attends a daylong training seminar that includes presentations by company officials, videos, and breakout sessions on moral awareness, moral courage, and values.

The discussions go much deeper than a superficial review of how to be a good person. One session concentrates on three ways to make a decision when faced with a dilemma. One option is seeking to do the greatest good for the greatest number of people. The second is a rules-based approach in which the decision will set a standard that everyone else follows. The final alternative is to use the Golden Rule: “treat others as you would like to be treated.”

The sessions also explore the complexity of ethics. Employees are rarely in a clear-cut situation where right and wrong are obvious. Ethical decisions often involve a nuanced balance between right and wrong. For example, the choice an employee has to make may involve questions related to the pulls between truth and loyalty, the individual versus the

community, and short-term versus long-term approaches to business decisions. Smucker communicates that it wants its employees to act with truth over loyalty, community over the individual, and long-term over short-term company interests. All employees go through the ethics program again every two years and sign a detailed nine-page ethics statement annually to ensure that they truly understand the level of performance Smucker expects from them.

Smucker also strongly believes in environmental sustainability, including utilizing renewable energy, improving wastewater management, using sustainable raw materials, and reusing resources rather than consuming new ones. Smucker promotes social sustainability in the communities in which it operates, promoting initiatives and programs that support and enhance the quality of life. The J.M. Smucker Company has often appeared on *Fortune Magazine*'s "100 Best Places to Work For" list, which it attributes in part to its strong culture.

Questions

1. Why would ethics be important to a company like J.M. Smucker? How can its focus on values and ethics improve its business performance?
2. Appearing on "best places to work" lists can increase an employer's popularity, even among lower-qualified applicants. The increased volume of applicants can be costly and time-consuming. What do you feel are the benefits and drawbacks to being on this type of list? Do you think that it is generally beneficial to be publicly recognized as a good employer? Why or why not?
3. Do J.M. Smucker's values and culture appeal to you as a potential employee? Why or why not?