

Good example of mcdonalds and starbucks code of ethics analysis case study

[Business](#), [Company](#)



Starbucks vs McDonald's Business Ethics and Compliance

This document aims to compare Business Ethics and Code of Conduct of two competing companies: McDonald's and Starbucks. Strategic values and the image of the brand illustrate the differences between the two companies and their approach and formulation of the constructs of Business Ethics.

Starbucks mission statement is: "To inspire and nurture the human spirit—one person, one cup, and one neighborhood at a time". The statement is concise and inspiring, bringing the core idea of the business - be part of the community and grow together with internal and external stakeholder.

Starbucks does not try to position itself as a business model, but rather brings the idea of social experience. The main message of the Business Ethics and Compliance document is to make Starbucks closer and more understandable for their customers as well as to build shared value culture not only internally, but also with external stakeholders.

McDonald's mission statement in Standards of Business Conduct document is the following: "The basis for our entire business is that we are ethical, truthful and dependable. It takes time to build a reputation. We are not promoters. We are business people with a solid, permanent, constructive ethical program that will be in style years from now even more than it is today". The company has very different approach to the ethical business formulation. In contrast to the statement and strategic positioning, offered by Starbucks, McDonald's notes that "we are a business first and then social element". It is difficult to compare the positions of these two companies in regards to their business conduct, even because McDonald's with its overall 'junk' food proposition will always remain in disadvantage in the eyes of the

customers. While McDonald's has to explain its Ethical Business Model by side activities and contribution to the society, Starbucks is shouting that the entire business is an example of ethical, social and business behavior. With that, the pillar of McDonald's Business Conduct is the choice and information given to the customers to enable the right decision, while Starbucks grounds its ethical philosophy on "join ethical lifestyle and experience - join us".

Breach of ethical conduct is a common example, especially in large international companies like McDonald's and Starbucks. These companies are also assessed based on the compliance of their partners, such as material suppliers, outsourced producers and logistic providers. However, breach of Ethical Conduct can come from internal mistakes in spite of the efforts of the company. Recent McDonald's scandal illustrates such mistake. The company has announced that to improve the quality of their French fries they will start using vegetable oil instead of beef fat. This made many vegetarians believe that McDonald's French fries became vegetarian (McGrath, 2014). While McDonald's legally did not commit an offence, it agreed to pay USD\$ 10 million to the community as an apology and a way to reduce the fire over the Ethical Compliance scandal in media.

References

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