

Csr assignment – starbucks

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



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REsponsibilities]| Starbucks| Introduction Starbucks is one of the places to find the world's best coffees. The first Starbucks opened over forty years ago, in Pioneer Square in downtown Seattle, Washington. The owners' main philosophy was to provide customers with the world's finest and richest coffee. Over time, and endeavoring this ultimate philosophy, Starbucks expanded internationally and has more than 19000 stores around the world.

The management of Starbucks has managed to improve their managerial process through location of their business, higher quality and better prices of their products. Although it is an expensive coffee store, the price of their product is based on the quality they supply. However, Starbucks is fully engaged in providing everything in an ethical manner. In this article, Howard (2011) explains that the most important thing to Starbucks is " the key to that culture is the belief that people are more important than profits" (Howard, 2011).

This paper will discuss the procedures put in place to ensure ethical behavior, their ethic of business and their corporate social responsibility and will focus on assessing the company's contribution to the community. Ethical issues As stated in Alec, Gonca & Efe's (2011) journal, " the evolution of Corporate Social Responsibility (CSR) and the concept of Corporate Sustainability (CS) have converged resulting in a similar objective of achieving the balance between economic prosperity, social integrity and environmental responsibility" (Alec, et al. , 2011).

CSR is the concept coined to describe how organizations now consider the welfare of the people by being responsible for the impact of their activities

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on all groups of people involved and affected by their business, (ie. their employees, customers, stakeholders). Many businesses have taken CSR very seriously that they have gone beyond “ following laws”, and do more than being “ responsible”. Starbucks is one of those corporations that fully engages in providing its stakeholders, its employees, the community more than necessary, and go beyond its responsibilities.

One issue that Starbucks addressed and which stakeholders were being targeted was for the latter to have access and know how the company’s commitment and passion to improve the world and the ways which are demonstrating it. For example, Starbucks is committed to the environment, whether it’s regarding recycling, reducing water usage, thinking green or lowering its energy consumption (Starbucks, 2012). However, one of the main topics of Starbucks’s corporate ethics revolves around the climate change. Addressing climate change is a priority for Starbucks” (Starbucks, 2012). Since most of Starbucks coffee crops are outside of North America, mostly in the Third-world countries, Starbucks has implemented a climate change since 2004, which focuses on renewable energy, energy conservation, advocacy (Starbucks, 2012). One biggest step taken by Starbucks is reducing its gas emission. They conducted an inventory of their greenhouse gas (GHG) emission in 2011, using the World Resources Institute/WBCSD Greenhouse Gas Protocol to find out where their energy is mostly consumed.

More than 80 percent of their GHG emissions are attributable to energy used in stores, office, and roasting plants, they are now focused on energy conservation and purchase of renewable energy (Starbucks, 2012). Reducing

emissions of tons of carbon dioxide makes a huge impact on the climate. By reusing energy in their coffee-roasting plants, or offices, Starbucks was able to reduce its GHG emissions by 2.7% compared to their 2012 GHG emissions (Starbucks, 2012). Moreover, another issue that is important for stakeholders is to have access to all the reports, codes, ethics, social responsibilities actions endeavored by the corporation.

Starbucks has also addressed that issue, and rather than attempt to address every issue in their annual report, they simply just conducted a materiality assessment to determine what topics are of most significance to their stakeholders and to Starbucks itself and publish everything online. In a letter addressed to the stakeholders, Howard Schultz (2011) explains the reasons of creating a report with the summary of all the positive aspects to the company, as well as how the company is doing with regards to their CSR. This focus on materiality helps not only the stakeholders, but also the shareholders with regards to how effectively the company is doing. And for example, letting stakeholders have access to their progress regarding their environmental by publishing their Global Responsibilities Goal & Progress report online, Starbucks is showing how effectively it's doing. Codes of conduct Starbucks codes "Business Ethics and Compliance" and CSR are stated on their website, and is available to the public. They have also made the "Standards of Business Conduct" book available, which facilitates legal compliance and ethical issues such as potential conflicts of interest (Starbucks, 2012).

The main idea is that every person in the employ of Starbucks is to act ethically and report any unethical or questionable behavior by any person

under the employ of Starbucks. Because everyone is equal at Starbucks, any unethical actions should be reported. They have provided the partners with communication channels, which allow them to report all type of issues or concerns (Starbucks, 2012). The communication channel is basically a webline with contact information of the Business Ethics and Compliance department (Starbucks, 2012).

Starbucks Chairman, President and Chief Executive Officer Howard Schultz stated (2012) " Each of us is personally responsible for supporting our core values, which require compliance with the law as well as ethical conduct. We have issued the Standards of Business Conduct to restate our long standing commitment to uphold that responsibility and to provide guidance to our partners. " (2012). Starbucks mission statement and guiding principles are also stated on their website. Starbucks mission is " to inspire and nurture the human spirit - one person, one cup and one neighborhood at a time".

What this means is that Starbucks is dedicated in delivering each person a unique experience with their coffee purchase. It's a one-on-one experience that should not only make the customers day but also the barista's day. Being a barista or a partner at Starbucks not only means making beverages and giving them to the customers, but it also means going beyond being a simple coffee maker and providing customers with more than what they expect. For example, during my time at Starbucks, I remember that each and every customers that came left with a smile, because all of us were trained to always put the customer on a pedestal and make them happy.

If one customer comes back unsatisfied with the drink, without any questions asked, we take the drink back and remake a new one with no charge. I also

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remember one day, during my shift, an elderly lady came to buy a coffee and a mix of granola and yogurt. She stayed at the location to drink her coffee, then to finish her yogurt. Few minutes later, she came back to us and complained about how the granola tasted different and she wasn't satisfied/happy with it. Even though she had half of it finished, we gave her another one, free of cost and let her go with a smile on her face. As the mission states, it is about one person, one cup at a time.

This also describes Starbucks principles related to customers. " When we are fully engaged, we connect with, laugh with, and uplift the lives of our customers - even if just for a few moments. Sure, it starts with the promise of a perfectly made beverage, but our work goes far beyond that. It's really about human connection". (2012) Starbucks also have other principles, either about their products, their shareholders, or their partners. Either way, they are dedicated in being an ethical corporation. As mentioned earlier, they have a report stating all their corporate social responsibilities and how they are doing.

Here is a table of what Starbucks Mission Statement and Guiding principles are: STARBUCKS MISSION STATEMENT AND| GUIDING PRINCIPLES| To establish Starbucks as the premier purveyor of the finest| coffee in the world while maintaining our uncompromising| principles as we grow. | The following six Guiding Principles will help us measure the| appropriateness of our decisions:| • Provide a great work environment and treat each| other with respect and dignity. | • Embrace diversity as an essential component in the| way we do business. | • Apply the highest standards of excellence to the| purchasing, roasting and fresh delivery of our coffee. • Develop

enthusiastically satisfied customers all of the time. | • Contribute positively to our communities and our environment. | • Recognize that profitability is essential to our future success. | | Starbucks, by generally being omnipresent in the communities (whether doing communities work, making changes to how the business and centers operate...), aims to follow its principles, and encourage its partners and customers to do the same. Ethics in practice The corporation accounts for its ethical and social responsibilities, by either being involved in communities through different ways, or helping the society in general.

As stated on their website, they make a difference in the society, in the environment, at the workplace, in the products... “ A good example of a corporate culture which focuses on quality and ethics is Starbucks. Starbucks has won a number of ethics awards and has been recognized as a role model of social responsibility. ”(Academicjournal 2010). This sentence summarizes what stakeholders and public think about Starbucks. Indeed, the corporation has made huge differences in the community by doing small gestures, but gestures that matter. As stated in their website, they “ support farmers and their communities”.

For example, they have established Farmer Support Centers in Costa Rica and Rwanda to provide local farmers with the resources and expertise that help lower the cost of production, reduce fungus infections, improve coffee quality and increase the yield of premium coffees (Starbucks, 2012). They have also set up something called the Starbucks Farmer Loan program. It aims to provide financial resources to cooperatives to fulfill their cash flow needs during harvest time, and to make infrastructure investments that

result in better competitiveness (Starbucks, 2012). Their goal is to disburse U.

S \$20 million to this program by 2015. Another example in respect to their ethical practice is regarding their kids cups. They recalled over 250,000 children's plastic cups in the U. S. and Canada. " According to the report, once the cup is dropped, the colorful face on the cup can break off and leave small parts or sharp edges that can pose a choking or laceration hazard to young children" (2008). Also, by coming to the new communities, such as in the U, S where its experiencing a job crisis, Starbucks provides employment, as the only thing you need is a smile and willingness to provide excellent customer experience. The company first priority is taking care of the employees in its retail stores who communicate with and serve customers. Starbucks executives believe that by taking care of these employees, the company can provide long-term value to shareholders (Schultz ; Yang 1997). Trust is vital to all organizations and it expected that ethical leaders demonstrate behavioral consistency between words and actions; treat all employees fairly without violating human rights. " (2011). Starbucks has teamed up with the Opportunity Finance Network (OPN) to create new jobs for Americans. Transparency

At Starbucks, transparency is important thus they have published their CSR report as part of their broader communications efforts to provide transparency on their activities and performance. This initiative not only makes their stakeholders happy but also provides everyone else, either its customers or employees, with what Starbucks is doing to be a socially and environmentally responsible company. This transparency should be the

priority in all successful organizations has us customers need to know what is the company, that is technically part of our daily routine, doing for us.

A clear apercu of theirgoals, mission statement and principles is necessary, because communities need to support only corporations that care and value ethics and social responsibility. But as mentioned, Starbucks is in all ways clear about their ethics, and as nothing is a mystery, they have published everything online. Overall assessment Starbucks is focused on being a fully ethical and a very philanthropic corporation. All their ethics, values, match Carrol's definition of a Corporate Social Responsible corporation.

As per Carrol, the social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that a society has of organizations at a given point in time (Michael Hopkins, p. 2. 2011). Although, like all other corporations, making profit is the most important, Starbucks doesn't forget that it started as a small business that eventually and slowly expanded. Starbucks participates in many environmental and social programs around the world. The corporation is focused in providing communities with all types of benefits, such as jobs, good quality of coffee, good working conditions, improving its energy consumption.

In general, the company is progressing towards better system and practices. For example, according to the published metrics on the environmental responsibility, the company has been able to reduce its energy consumption by 7. 5% in 2008-2011, purchased the equivalent of more than 50% of electricity used in their global company-owned stores worldwide in 2011, and decreased its water consumption by more than 17% since 2008. Starbucks' goal by 2015 is to decrease water consumption by 25%, purchase renewable

energy equivalent to 100% of the electricity used in their company-owned stores and reduce energy consumption by 25%.

Conclusion We have studied about corporate responsibility, companies' omnipresence in communities, in society and in our day-to-day routine. We have also studied how a company's values and ethical decisions can make a significant difference in the way we perceive it. Applying what we learnt from class, Starbucks is implicitly ethical and follows all the norms and values of a social ethical company. Thought, a company is made of employees, it is very important to provide those employees with the company's core values and explain them what it really means to work at that company.

In Starbucks's case, partners are all participating in making the company an ethical and socially responsible corporation. References Katrinli, A. , Gunay, G. , Mehmet E. (2011). The Convergence of Corporate Social Responsibility and Corporate Sustainability: Starbucks Corporation's Practices. Cambridge: The Business Review. Moronke, S. (2012). Impact of Ethical Leadership on Employee Job Performance. Journal of Business and Social Science. Schultz, H. (2010). It's Not About the Coffee: Leadership Principles From a Life at Starbucks.

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