

Starbucks corporate social responsibility

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



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Introduction

Business ethics plays a vital role on establishing good reputation of a business entity towards its customers, suppliers and society as a whole (Mares, 2005). There have been a lot of multinational companies around the globe that demonstrated the destructive effects of unethical company leadership behavior. Business ethics serves as the standard of conduct of individual business people and not necessarily the standards of the business as a whole; therefore, it is the ethics of the business that molds the nature and values of its employees towards their customers, suppliers and the society.

An organization that behaves ethically will influence its business associates to behave ethically as well; and by having ethical business associates, the company will be able to improve the welfare of its customers, suppliers, shareholders and the environment. This is where the Corporate Social Responsibility comes into picture. The fact that the ethics of the business directly affects the ethical behavior of its business associates towards their suppliers, customers and other stakeholders; therefore, intensifying the ethics of the business is one of the many roads towards the attainment of its success (The Economist, 2005).

Under the Corporate Social Responsibility, an organization must give premium on the welfare of its employees, customers, shareholders and the environment; and take responsibility for all the detrimental impacts of all the activities of the organization (Timms, 2004). Moreover Corporate Social

Responsibility is deemed to be acting beyond the statutory obligation of an organization and voluntarily taking the initiatives to improve the quality of life of their employees as well as their families and the society as a whole.

With the advent of globalization, both the European and American Region start to become more influential in especially in the corporate world and the society. Among the impressive companies nowadays would be Starbucks, an American based company, and presently have a wider scope of business operation. In this regard, it would be helpful to determine the similarities and differences of Starbucks Corporate Social Responsibility to European based companies like the European Aeronautic Defense and Space Company [EADC], as well as if whether the mission of Starbucks is truly driven to support the efforts of Corporate Social Responsibility.

Starbucks Corporation

Starbucks Corporation was founded in 1971 by Jerry Baldwin, Zev Siegl and Gordon Bowker as a coffee bean retailing store which sells whole-bean coffee in Seattle. But the market of whole-bean coffee was not that profitable thereby forcing the three owners to sell their company. This is when Howard Schultz enters into the picture and bought Starbucks. Schultz started to introduce the coffee beverages which improved the profitability of the company and that serve as the stepping stone of Starbucks towards its attainment of market dominance domestically and internationally.

Corporate Mission of Starbucks

One of the missions of Starbucks is to provide their employees with great working environment and treating each other with respect and dignity. Also,

Starbucks concentrates more their strategies towards providing their customers with the highest possible satisfaction every time they enter the store. Moreover, Starbucks has a set of environmental mission separate from its corporate mission. One of its environmental missions is to buy and sell environmentally products as well as instilling to its employees and shareholders the environmental responsibility as a corporate value.

Corporate Social Responsibility of Starbucks

Aside from providing their customers the highest possible satisfaction, Starbucks also make an effort to establish loyalty with their customers in order to provide good customer relationship since customers prefers to do business with a company they believe to be socially responsible and establish harmonious relationship with them. The Starbucks Business Ethics and Compliance [BEC] program serves as the guide of Starbucks' employees in making decisions, facilitating legal compliance and ethics training. Starbucks also take the initiative to establish CSR Executive Committee wherein the said committee will be the one responsible for strengthening the CSR of the company's overall performance through setting CSR related strategy and policies as well as its progress. The said CSR Executive Committee is comprised by the CEO, as the chairman of the committee, and the senior level officers of the company.

Giving premium to the satisfaction of their customers is also one of the fortes of Starbucks since its establishment. Some of the market analysts say that is has been one of the main ingredients of Starbucks success for the past decades. Like for instance, to respect the culture of countries in the Middle East, Starbucks provided separate section for women on their stores (Dutta & <https://assignbuster.com/starbucks-corporate-social-responsibility/>

Subhadra, 2003). Moreover Starbucks strictly implements “ nosmoking” policy inside their stores which attracted more customers to come into their stores especially thosehealthconscious people. Bartenders of Starbucks are highly trained employees in order to secure the quality of every coffee beverage that they will serve to the customers.

Last 2006, Starbucks was included in “ 100 Best Companies to Work For” of Fortune Magazine and that was already the eighth time wherein Starbucks received such prestigious recognition (Fortune Magazine, 2006). Moreover, Starbucks was also recognized as one of the “ 50 Best Workplace in UK” Financial Times sponsored by Work Institute UK while taking the ninth place in Taiwan’s “ Most Sought After Enterprise” among 100 private and 50 state-owned enterprises (Starbucks. com, 2007). The reason behind the said mentioned awards of Starbucks lies on the fact that the company recognizes and treats their employees as one of their assets and plays a vital role on the success of the entire company. This is also the reason why the management of Starbucks calls their employees as “ partners” and not just a mere servant of the company. Starbucks’ management let their ‘ partners’ to participate in planning activities especially if it concerns them.

Moreover, Starbucks management listen on the voices of their employees in order to create harmonious working relationship with one another, as well as recognizing even the smallest effort every employees for the benefit of the company. The management also releases Partner View Survey which solicits feedbacks from their partners around the globe every 18-24 months regarding their experiences and development while inside the floors of Starbucks. The said survey serves as the determinant if Starbucks is

performing well for the past 18-24 months. In this regard, a lot of people would want to become a member of Starbucks family and the reason why Starbucks has been being recognized by various NGOs as one of the many companies that promotes employee welfare improvement. Even if the company employees diverse group of employees, still, Starbucks has been able to manage diversity related problems which gives way for the employees to work in harmony and more efficient by establishing strong corporate goals within the floors of Starbucks. Starbucks was identified last 2006 as one of the " Top 50 Companies for Diversity" which is being sponsored by Diversity Inc. Magazine. In addition to this, to some extent, Starbucks even use the diversity of employees that they have to their own advantage.

In order to promote transparency with regard to the performance of Starbucks as well as other important information from the company that determines the social and environmental responsibility of the company, Starbucks launched since 2001 CSR Report as part of their broader communications efforts to provide transparency on their CSR performance and activities. Like for instance, Starbucks had contributed \$1. 87 million to the international relief and development nonprofit CARE to support its community development projects like literacy promotion and clean water supplies in coffee origin countries since 1991. Moreover, Starbucks also supports the projects of Conservation International [CI] which mission is to preserve Earth's living natural heritage and its global biodiversity to demonstrate that human societies are able to live harmoniously with nature. Like for instance, the Chiapas Project of CI, which promotes the use of shade-

grown coffee varieties and prevents the deforestation of the buffer zone of Chiapas reserve, has been being supported by Starbucks by purchasing shade-grown coffee varieties to help the coffee farmers of Chiapas, Mexico and discourage the production of sunlight-grown coffee varieties which contributes to the deforestation in Chiapas, Mexico (Austin & Reavis, 2004).

Furthermore, Starbucks is also a member of Free Trade Movement which organizes farmers that produces various commodities into cooperatives. Starbucks also buy coffee beans from the cooperatives organized by Fair Trade Movement in order to support those small farmers of less developed countries. Because of the support of Starbucks to Conservation International and Free Trade Movement, a lot of customers were pleased, especially those that are environment conscious, to know that Starbucks support such NGO's. Customers start to visit Starbucks more often to extend their support to the mission of Starbucks and to the NGOs that Starbucks has been supporting. In this regard, it is clear that Starbucks has been actively participating to various international organizations that promotes environment preservation and improving the welfare of depressed industries like on the case of the farmers of Chiapas which cultivates shade-grown coffee varieties.

In this regard, it is clear that Starbucks makes great effort in providing good effects not only to the welfare of its customers and employees but also provide concerns on the condition of the environment through internalizing the sense of responsibility towards the maintenance of the environment. To put intostress, Starbucks treat their employees as their partners and recognizes the fact that without them the company will not be able to experience impressive growth for the past years. Furthermore, Starbucks

supports various environmental movements by extending their hands towards the accomplishments of various environmental projects. At this point, Starbucks has been able to materialize their mission statements based on the number of welfare improvement that the company shared to its employees, customers and environment through their support on various NGOs like the Conservation International and Free Trade Movement.

European Aeronautic Defense and Space Company

European Aeronautic Defense and Space Company or EADS is a European Union based group of companies that provides aerospace, defense and related services. Airbus S. A. S., the manufacturer of Airbus A380- the world's largest commercial airliner, is also part of EADS. The Group also includes the world's largest helicopter producer- Eurocopter, and the European leader in space programs from Ariane to Galileo- EADS Astrium. Based from the subsidiaries of EADS, it is clear that the said company have a large impact on the societal welfare of the member countries of the European region.

Corporate Mission of European Aeronautic Defense and Space Company

One of the missions of EADS is to provide quality as well as long term information assurance and secure network solutions for private and government organization in order to guarantee the availability, authenticity and confidentiality of information, and the protection of IT resources. Moreover, EADS aims to maintain their mastery in the management of information service, infrastructures, and telecommunications; same goes for their awareness on the demand of highly-critical Information Systems (Its.

eads. net, 2007). Providing personalized services is also one of the missions of EADS and a reliable provider of secure information services.

Corporate Social Responsibility of European Aeronautic Defense and Space Company

Despite of the fact that all of the company missions of EADS suggest less on their CSR, the company still manages to provide efforts on fulfilling its social responsibility towards its employees, customers and environment. Other hand any other aspects, EADS gives more premium on the customer satisfaction since the company recognizes the importance of maintaining good reputation with their customers in attaining impressive company growth.

As for the welfare of their customers, EADS provides high quality services with the use of today's most advanced technology available in the field of aerospace as well as defense. Moreover, EADS implements the " On-Time and On-Quality Delivery" concept in order to further boost the satisfaction of EADS customers. EADS also implements customer feedback strategy of assessing the quality of their services through the " Group-wide process of Customer Reviews." EADS believes that through soliciting customer feedback, the management could further improve the quality of their service. EADS also established Quality Council, headed by the Chief Quality Officer [CQO], in order to ensure the proper implementation of " On-Time and On-Quality Delivery" as well as ensuring the EADS Improvement Program which is directly tuned on the performance of their business units.

About the welfare of their employees, EADS ensures the provision of safe and healthy working environment which will be based on the evaluation, anticipation and risk management after taking into account all the specificities and the needs of every employees of EADS business units and subsidiaries. Due to this, the number of accidents that occurred in EADS has declined after the strict implementation of Health and Safety Management of the company. Like for instance, the case of Airbus, between 2004 and 2006 the number of accidents recorded significantly decreased from 13.18 percent to 10.6 percent. Furthermore, despite of the diversity of their labor force, EADS has been able to solve and prevent diversity related problem through providing equal opportunity for all of its employees and avoiding from any form of discrimination against their employees (Org. airbus. com, 2007).

As for the role of EADS on the environment, the said company takes the initiatives on further minimizing the level of pollution of their aircrafts. Like for the case of Airbus, the said commercial airline company is about to increase its budget this year for their research and technology by 25% in order to finance researches that will lead to the cutting of their planes CO2 emissions to 50% by 2020 (Environmental leader. com, 2007). Airbus supports the goal of IATA, a trade group that represents the airlines of the world, which aims for the development of "zero-emission" planes in the next five decades. In this regard, it is clear that EADS, to some extent, made a significant role in minimizing the level of air pollution in the society. But even if the company is putting more value on the satisfaction of the customers,

still, its responsibility to the environment and customers will not be forgotten by EADS.

Conclusion

It is clear that, based from the identified Corporate Social Responsibilities of Starbucks and EADS; both of the companies have the gives premium on the quality of their customer service and provide various strategies in order to further boost the satisfaction that their customers derived from availing their services. In addition to this, both Starbucks and EADS spends reasonable amount of money just to improve their facilities and skills of their employees. On the other hand, one of the differences between the CSR of Starbucks with respect to EADS is the support of the former to NGOs that advocates for environmental reservation and protection. Though EADS also contributes to the preservation of the environment, but its effort is concentrated mainly on their internal aspects like investing in research and development in order to minimize their CO2 emission of their planes. In other words, Starbucks not only just supporting the preservation of the environment internally, like the use of recycled materials, but also externally to the company such their membership and active participation of CI and Free Trade Movement projects. The last but not the least would be the ethical actions of Starbucks to its employees; Starbucks, based from the identified policies and strategies of the management, provides premium to the efforts of their employee and treat them as one of their partners, and trainings that would enhance their skills. EADS provides safe and harmonious working environment for its employees and with such effort, the company has been able to minimize the number of accidents of their employees since 2004. EADS management also

provides room for career development and avoids any form of bias like gender, race and religion to name a few. With regards to the difference of Starbucks and EADS in terms of employee welfare improvement, Starbucks views their employees as the source of their competitive advantage based on the treatment of the management to the employees; while EADS views their employees as a “ tool” towards the attainment of high quality services that will further boost the satisfaction of their customers.

Recommendation

It is now clear that American company -Starbucks, provides higher level of CSR since the said company puts more premium on accounting the welfare of their environment and employees on every policies and strategies of the management. Therefore, it is a must for the European Union based companies like EADS to further improving the scope of their CSR on their environment and employees. Although it is a good thing that despite of the constraints in EADS, the company still manages to provide an effort in fulfilling its social responsibility. But it would be much better if EADS will further improve their efforts in improving the welfare of their environment and employees.

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