

Corporate responsibility – starbucks

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How does Starbucks' policy of corporate social responsibility impact the company's bottom line? According to Porter and Kramer (2006), "Proponents of Corporate Social Responsibility (CSR), use four arguments, moral obligation, sustainability, license to operate, and reputation as justification for implementing CSR programs and practices (p. 3). Moral obligation is the duty to be a good citizen and do the right (socially responsible) thing. Sustainability requires responsibility managing both environmental and community needs, by meeting the needs of today without compromising the ability of future generations to meet their needs.

License to operate, every company needs permission from governments, communities and stakeholders to do business and reputation, to ones improve image, strength in brand, increase morale, and raise the value of stock (Porter, 2006). Based on the video " Starbucks Corporation: Serving more than coffee", (McGraw Hill, 2011), Starbucks follows the four Porter points quite closely, and these efforts have had a positive impact on the financial standing and public perception of the company.

Starbucks spokesperson, Sue Mecklenberg states " Social responsibility is a boost to financial well being" (2011). Through the implementation of " Eco-efficiency", the company is able to reduce waste and utility costs for water and gas. Additionally, Starbucks offers their employees, referred to as partners, good benefits that include health plans and stock options. These, in turn help to create partner loyalty to the company, leading to low turnover, which helps Starbucks to lower recruiting and training cost.

Additionally, the Starbucks customer base appears to be motivated to frequent Starbucks based on their CSR, and also helps to attract socially

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conscious investors. Corporate social responsibility is also a valuable tool to report and communicate back to company stake holders, what the company is doing, and provides accountability by which metrics can be used to measure and monitor progress on these fronts. As Starbucks continues its global expansion, what must it do to ensure that the company maintains its socially conscious focus?

Corporate social responsibility encompasses all aspects of the business provides a view into the heart of an organization. In referring to CSR, Sue Mecklenberg quotes the Starbucks CEO as saying, “ We need to hit numbers and live values”, because CRS is no long simply writing a check to a foundation (McGraw Hill, 2011). To effectively maintain the CSR commitment, Starbucks must continue to evolve and improve partner and customer satisfaction, while aligning the business with the mission and guiding principles.

This is evident in the way Starbucks encourages and supports those partners who contribution to non-profit organizations, such as “ Make Your Mark”, where Starbucks contributes ten dollars per hour, per hour volunteered by a Starbucks partner. Additionally, on a global scale, Starbucks assures coffee farmers get fair wages, fair prices and maintain good social conditions for their employees. Schools and hospitals are funded for coffee producers who meet social and environmental criteria.

In an effort to further monitor vendors, Starbuck is working to develop “ real-time” updates of supply chain information, as well as an information pipeline for awareness and to manage social conditions at the vendors level (McGraw Hill, 2011). As Starbucks expands globally, management must continue to do <https://assignbuster.com/corporate-responsibility-starbucks/>

the things they do so well with the current CRS program. However, to ensure the same responsibility as the company expands, it must have continuous improvement plan in place that is forward looking for both new ways to benefit employees, business partners, community and nations in which it does business.

References Porter, M. E. , & Kramer, M. R. (2006). The link between competitive advantage and corporate social responsibility. *Harvard business review*, 84(12), 78-92. McGraw Hill (2011). Starbucks Corporation: Serving more than coffee [Video recording] Retrieved October from 30, 2012 from https://blackboard.cmich.edu/webapps/portal/frameset.jsp?tab_tab_group_id=_2_1&url=%2Fwebapps%2Fblackboard%2Fexecute%2Flauncher%3Ftype%3DCourse%26id%3D_58229_1%26url%3D