

Values and principles
starbucks
management essay



During these early building years, Howard Schultz and other Starbucks senior executives worked to instill some key values and guiding principles into the Starbucks culture. The basis value in the effort “ to build a company with soul” was that the company would never stop pursuing the perfect cup of coffee. Schultz remained steadfastly opposed to franchising, so that the company could control the quality of its products and build a culture common to all stores. He was adamant about not selling artificially flavored coffee beans-“ We will not pollute our high-quality beans with chemicals”. Furthermore, Schultz didn’t want the company to pursue supermarket sales because pouring Starbucks’ beans into clear plastic bins, where they could get stale, would compromise the company’s distinctive product: fresh, dark-roasted, full-

flavored coffee.

Starbucks’ management was also emphatic about the importance of pleasing customers. Employees were trained to go out of their way, taking daring measures if necessary, to make sure customers were fully satisfied-the theme was “ just say yes” to customer requests. Employees were also encouraged to speak their minds without fear of retribution from upper management-senior executives wanted employees to be spoken about what Starbucks was doing right, what it was doing wrong, and what changes were needed. Management wanted employees to contribute to the process of making Starbucks a better company.

Selection of Employee

Employee Selection is the process of putting right men on right job. It is a procedure of corresponding organizational needs with the skills and qualifications of people. Effective selection can be done only when there is effective matching. By selecting best candidate for the required job, the organization will get good performance of employees. Moreover, there will be less truancy and employee turnover problems in organization. By choosing right candidate for the required job, organization will also save time and cost. During selection procedure, proper screening of candidates takes place, testing for all the potential candidates who apply for the given job (“Employee Selection Process,” 2012).

In order to differentiate Starbucks from competitors, Starbucks relied on its baristas and other frontline staff to a great extent in creating the ‘Starbucks Experience’. Therefore significant attention paid by the company to the kind of people it recruited. Starbucks’ recruitment motto was “To have the right people hiring the right people.”

Starbucks hired people for qualities like adaptability, reliability and the capability to work in a team. The company often specified the qualities that it looked for in employees upfront in its job positions, which allowed prospective employees to evaluate themselves to a certain extent (“Starbucks’ Human Resource Management,” 2005).

Building a Top Management Team

Growing companies need effective management teams. Many businesspeople believe there is only room for one leader, but a strategically

built management team can be an efficient way to delegate leadership to business-specific experts (Mitchell, 2012). Forming a management team demands matching jobs to people's strengths. That means responsibilities are given to people based on skill level. " Don't give yourself an impressive title and job unless you're right for the job."(" Build Your Management Team," 2011).

By hiring people with extensive experience in managing and expanding retail chains, Schultz continued to strengthen Starbucks' top management team. Orin Smith, who had an MBA from Harvard and 13 years' experience at Deloitte and Touche, was brought in as chief financial officer in 1990 and then was promoted to president and chief operating officer in 1994. Howard Schultz, Dave Olsen, Howard Behar, and Orin Smith which were the four key executives during the company's formative years contributed the most to defining and shaping the company's values, principles, and culture. Additional executives were added in marketing, store supervision, specialty sales, human resources, finance, and information systems as the company grew. Schultz also took care to add people to Starbucks' board of directors who had experience growing a retail chain and who could add valuable perspectives.

Training of Employee

Training is crucial for organizational development and success. It is fruitful to both employers and employees of an organization. An employee will become more efficient and productive if he is trained well.

Training is given on four basic grounds:

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1. Training is given to new candidates who join an organization. It familiarizes them with the organizational mission, vision, rules and regulations and the working conditions.
2. The existing employees are trained to revive and enrich their knowledge.
3. If any updates and amendments take place in technology, training is given to handle with those changes.
4. When promotion and career growth becomes important. Training is given so that employees are prepared to share the responsibilities of the higher level job.

Having selected the right kind of people, Starbucks capitalized in training them in the skills they would necessitate performing their jobs efficiently. Starbucks was one of the few retail companies to invest considerably in employee training and provide comprehensive training to all classes of employees, including part-timers (Gamble, 1999; Thompson, 1999)

Putting in systems to recruit, hire, and train baristas and store managers to accommodate with fast growth. Starbucks' vice president for human resources used some simple guidelines in screening candidates for new positions. According to Kalen(2009),” We want passionate people who love coffee . . . We’re looking for a diverse workforce, which reflects our community. We want people who enjoy what they’re doing and for who work is an extension of them.” Some 80 percent of Starbucks employees were white, 85 percent had some education beyond high school, and the average age was 26.

Every partner/barista hired for a retail job in a Starbucks store are required to have at least 24 hours training in the first two to four weeks. The training included classes on coffee history, drink preparation, coffee knowledge (four hours), and customer service (four hours), and retail skills, plus a four-hour workshop called “ Brewing the Perfect Cup.” Baristas are trained in using the cash register, weighing beans, opening the bag properly, taking the beans without spilling them on the floor, holding the bag in a way that avoids air from being trapped inside, and attaching labels on the package exactly one-half inch over the Starbucks logo. Beverage preparation occupied even more training time, involving such activities as grinding the beans, steaming milk, learning to pull perfect (18- to 23-second) shots of espresso, memorizing the recipes of all the different drinks, practicing making the different drinks, and learning how to make drinks to customer special requirements. There are sessions on how to clean the milk wand on the espresso machine, explain the Italian drink names to customers, sell an \$875 home espresso machine, make eye contact with customers, and take personal responsibility for the cleanliness of the coffee bins. Everyone is trained in the Star Skills, three guidelines for on-the-job interpersonal relations: (1) maintain and enhance self-esteem, (2) listen and acknowledge, and (3) ask for help. And there were rules to be followed: milk must be steamed to at least 150 degrees Fahrenheit but never more than 170 degrees; every espresso shot not pulled within 23 seconds must be tossed; customers who order one pound of beans must be given exactly that-not . 995 pounds or 1. 1 pounds; never let coffee sit in the pot more than 20 minutes; always compensate dissatisfied customers with a Starbucks coupon that entitles them to a free drink.

Management trainees attended classes for 8 to 12 weeks. Their training went much deeper, including not only the information imparted to baristas but also the details of store operations, practices and procedures as set forth in the company's operating manual, information systems, and the basics of managing people. Starbucks' trainers were all store managers and district managers with on-site experience. One of their main objectives was to instill the company's values, principles, and culture and to impart their knowledge about coffee and their passion about Starbucks.

Each time Starbucks opened stores in a new market; it started a major recruiting effort. Eight to ten weeks before opening, the company placed ads to hire baristas and begin their training. It sent a Star team of experienced and qualified managers and baristas from existing stores to the area to lead the store-opening effort and to conduct one-on-one training following the company's formal classes and basic orientation sessions at the Starbucks Coffee School in San Francisco.