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Organizational behavior of Starbucks

**Introduction**

Organizational Behavior (OB) refers to the study of human behavior within an organizationand its interface with the organization(Moorhead and Griffin).It is essential to be maintained at all levels of employees as it guides people on how to interact with each other. They can find solutions for their behavioral problems by understanding the organizational behavior of their organization. Therefore, it is essential for the organization to have the employees accepted behavior within its settings. Organizational behavior is also the characteristic of organizations and differs from organization to organization. For example, Starbucks is such an organization that has organizational behavior an element of its success.

Starbucks started its operations in 1971 from a single store in Seattle’s Pike Place Market (Paryani). Now it has more than 29,865 stores operating worldwide that maintain the highest standard of coffee in the world. During 2018, it has opened stores at 604 new locations and in the first quarter of 2019, it opened 541 new stores (Stern). In these stores, more than 65% were external to the U.S., showing its strategy of globalization. It has been facing severe competition from its competitors; Dunkin' Donuts and McDonald's. Along with 30 blends of coffee, it also sells handcrafted beverages, fresh food, different consumer products as well as other merchandise. It has a mission "to inspire and nurture the human spirit – one person, one cup and one neighborhood at a time." This paper will discuss the organizational behavior of Starbucks with an emphasis on its distinctpractices that make the organization unique.

**Discussion**

Starbucks is a dynamic organization and today it owns more than 29,865 stores. This huge success can be principally credited to the culture of the organization. Starbucks has its own distinct culture that is considered as the characteristic of the organization. This culture is the result of the reforms introduced by Howard Schultz during its early years of operations(Snell et al.). Consumers have a special place in the culture of the company and they visit its stores for coffee products as well as for socializing as they consider the store as their "second home"(Voigt et al.). It does not sell coffee for the customers but creates a unique experience for them.

Besides, culture has further helped the organization in dealing with the external business environment. Its culture is based on the belief of people first. Thus, it treats its employees as its partners and gives them due to respect as these are the most important resource of the company. The organization offers two programs in this context; health coverage and equity in the company through the Bean Stock. Starbucks is among ethical companies in the world today. It is not only fulfilling the customers’ needs but also serving the target communities.This ethics and compliance strategy supports the organization mission and values. Leadersare advised to have ethical business practices as these will make the organization progress in the right direction(Tikson). In the context of volunteer services, it is also running Starbucks Service Fellows, which is an employer-led service program.

In addition, Starbucks not only provide wages above minimum wage standards but also offers its employees different health care and benefits packages. Furthermore, its employees get proper education and training about the organization culture, its products as well as about its customers. This not only helps them in maintaining the quality in their operations but they also successfully manage different customer's loyalty programs. When they have enough information about the company and its products then they can answer each question of the customers and satisfy them. This not only reduces their operational costs but also increase profits by increasing the number of returning customers. Employees are required to wear green dresses and maintain an energetic and friendly attitude. They must serve the customers happy and concentrate on their needs.Likewise, another aspect of its corporate culture is the free ­flowing feedback that allows everyone in the organization to provide constructive feedback.

Starbucks is also committed to having such a workplace that values and accommodates people from diverse backgrounds. The purpose of this strategy is to use the talent of people having different capabilities and skills.This strategy also offers an exclusive combination of aptitudes and skills (Morais et al.). In this way, it will be able to have success through human connections. Starbucks diversity strategy has a focus on four capacities: partners, customers, suppliers, and communities.Itaccommodatespartners who are diversely located and then educate them to maintain their quality. Moreover, the strategy also covers the customers and address their diverse needs. Through strategic partnerships, it also gets engaged with different communities and increase the diversity within the organization. Likewise, it runs a supplier diversity program that accommodates more and more people from minority and women. Thus, Starbucks also has women-owned suppliers.

Moreover, the company has a decentralized organizational structure that allows employees to make decisions freely.This allows them to communicate their ideas to the higher authorities and participate in the organization's success through constructive feedback. Starbucks is running a large number of physical stores that are diversely located. These are run and managed by individual managers. Therefore, the decentralized organizational structure of the company allows these managers to take their decisions. This is also the source of innovation in the company leading to the increased efficacy of the employees.

Additionally, it has always maintained a balance between profitability and social responsibility(Mason et al.). For example, it participates in different community involvement initiatives.In 2009, it executedEthos Water, the water saving solution. The aim was to provide developing countries people the facility of clean water.It is also managing Starbucks Foundation in order to strengthen communities.Moreover, Starbucks has also worked for the literacy of people of the United States and Canada.

Similarly, leadership has a significant role in the success of Starbucks. Leaders at Starbucks have a servant leadership style with a resolution to aid others.Howard Mark Schultz, the CEO of Starbucks through its effective servant leadership style has converteda small coffee shop to today organization.Being an entrepreneur he had a belief in strong operations management and innovations. By pursuing this strategy, Starbucks has created amonopoly in the coffee industry and is now adopting new market trends. In addition, there are also transactional leaders in the company that are the source of inspirations for the employees.

Another factor behind the success of Starbucks is itssupply chain optimization. Its supply chain operations create a balance between efficiency and sustainability in its products. It cradles its coffee and other goods from all over the world and transports them to its retail stores that further deliver them to millions of customer's every week. Its Arabica beans are different from regular Arabica beans as it makes sure our highest standard of quality of beans at every step(Federgruen et al.). Thus, the company is committed to managing all the operations of the company as the quality of the coffee can be easily crumbled by mismanagement in the supply chain. Without supply chain optimization, the company cannot serve its products to such a huge number and maintain the quality. Forthis purpose, it has opened company-owned stores and has not gone for franchising with a fear of losing control over quality.

In addition, the company is highly committed to providing high-quality products and services. The primary objective of the company is not the cutting costs but to provide quality products. The company has successfully maintained the quality and now new customers come into stores by word-of-mouth. Moreover, the excellent quality also provides customers with tremendous experience at stores. They have a consistently comfy and friendly environment throughout their stores in the world.

**Conclusion**

Businesses cannot onlyflourish by only selling goods and services. They are also required to provide positive experiences to their employees. This can be done by providing them a supportive working environment. Thus, organizations must decide carefully about their working environment. Starbucks also practices this kind of positive organizational behavior. It considers its employees as its brand ambassadors. It practices the employees-first approach and tries to develop a strong bond with each of its employees. It calls its employees partners and devises different strategies for their welfare. Even the part-time employees at Starbucks receive stock options as well as health insurance. This employee engagement brings positive impacts over the organization success. This increases employee’s morale, motivate them and make them more efficient(Liu and Zhang).Moreover, during the global financial crisis, it does not cut its HR costs rather continue investing in staff training to maintain the quality of its products and services.

Additionally, it has a powerful culture as it is linked with its distinctive capabilities. The culture is the distinct feature of the Starbucks stores. People working at Starbucks are specifically trained to deal with customers. Customers in the stores come not for the purpose of having coffee or other products but also to have a distinct experience. Along with customers Starbucks also want to give valuable experience to its employees. It offers them health coverage and equity in the company along with other facilities.

Moreover, the ethical practices of Starbucks are considered as a standard in the business world. Its leaders are role model in practicing ethical values in the organization. As a part of its ethical practices, there is also included diversity and inclusion. Its diversity strategy not only focuses on the customers but also over the partners,suppliers, and communities. It also allows minority and women to become part of the organization. In addition, the company is having a decentralized organizational structure that is fostering innovation among employees. Furthermore, the company is committed to it's social responsibly and has running different programs that promote this strategy.

One of the success factors of Starbucks is its effective leadership. They have adopted the servant leadership style which has provided the organization many benefits. It has strengthened the bond between the company and its employees(Gavin). It has also strengthened the relations between the company and its customers. The leadership do not compromise over the quality and successfully manage its all supply chain functions.

Therefore, Starbucks has such an astonishing and attractive organizationalculture that it has fascinated me much. After my graduation, I would also like to become part of the Starbucks distinct culture. I would then get the experience of a specific environment that is the part of every store of the Starbucks in the world.In addition, the practices of the organization in the context of social responsibly also attract me to become part of the organization. Moreover, the leadership of the company also attract me and I want to work under this kind of leadership. I am a person that also like to have innovation and I am a risk taker. This will be an excellent opportunity for me to join this organization and use my potential for the success of my career as a leader.

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