Understanding Business Ethics: Fair Trade in Starbucks

Introduction:

In 1972, Starbucks opened its first business in Seattle, and about 11 years later, with effective marketing plans Starbucks coffee is quickly delivered to many restaurants. The product that Starbucks focuses is natural coffee. Starbucks is located in Europe and in America, worldwide.

Businesses will need to consider different ethical issues when making business decisions. This would include decisions that could have effect on the environment or people. In this report I will be identifying and describing the different laws and policies Starbucks will have to follow. These laws and policies are set up in order to make the business more secure and safe. Also as a business Starbucks will have to adhere to ethical issues its daily operations, to ensure that it meets their obligations to its stakeholders.

Furthermore, Ethics has to do with what is right and wrong. Ethics plays an important role in the business today. For instance, if a business wants to achieve its aims, it still needs to pay their employees fair wages. Therefore most countries have set a minimum wage, in order for the business to not take advantage of their employees. Moreover, business should always have employees working in good condition, where it is safe and secure. Also businesses have to adhere to a law that stops people from doing overwork.

Ethical issues

Trading fairly;

“Out of the 736 million people living in extreme poverty worldwide, about ?80 percent live in rural areas? and depend on agriculture for survival.”

The statement above refers to the extreme poverty there exists in the world. Starbucks is a business that helps people out by giving a fair wage in return for the products. This action creates more opportunities for people to take care more of their households and other.

Starbucks is an ethical business as they are committed to using fair trade. They chose to only use products that are sourced from their employees working in fair condition. The fair conditions include that all employees working for Starbucks are treated fairly and are given good wages. Starbucks coffee include fair trade coffee beans, this is because Starbucks treats the farmers that grow the coffee bean fairly and are getting paid what they deserve. Moreover, Starbucks does not want to harm the environment, therefore do they recycle and use environmentally friendly products.

However, fair trade and recyclable material do cost more, therefore Starbucks will have to spend more. Nevertheless, Starbucks does attract more customers because they use fair trade and are environmentally friendly.

Environmental issues

With the strive to buy, sell and use environmentally friendly products it shows that the business favours the environment. coffee beans has to be shipped from warm countries like Africa to other parts of the world like the Netherlands. ?Starbucks encourages all people to inspire them with a mission that will have a positive effect on the environment.

The ethics of Starbucks has a positive effect on the environment, as they use environmental-friendly materials. ?

Starbucks reduces paper use, recycle their waste and ensure farmers grow the coffee

?Also does beans as natural as possible without any added chemicals that pollute the environment.

Moreover, as of now Starbucks are increasingly having stores powered energy efficiently, this is good for the environment. On the other hand Starbucks has stores all over the world, therefore it will need to ship products very frequently, which produces pollution which harms the environment. Like the coffee bean ?

Human rights:

Human rights include freedom and basic rights that belong to everyone. Starbucks faces an ethical decision when employees are work. This is because Starbucks has the provide their employees with breaks, to ensure they do not overly work. Moreover, also does Starbucks pay their employees good wages, this will create a more motivated worker.

- Healthy & safety

Starbucks takes health and safety percussions very serious due to the fact that they do not want and hazards to damage the company in any way. They want their environment to be safe. Health and safety makes sure that their employees are safe at their work. Also does Starbucks has to check that their employees have a safe working environment, no forms of danger to their health. Every 3 months, Starbucks carries out a health check on their employees to check if they are doing well or if they have any problems.

- Corporate social responsibilities

The reputation of a company today depends on how the company deals with its environment, citizens and employees. CSR is therefore a abbreviation, this is called Corporate Social Responsibility: the social and environmental obligations of a company towards its stakeholders and society in general. Many in the business world agree that Corporate Social Responsibility (CSR) is gaining an increasing influence.

CSR more or less forces a company just like Starbucks to look beyond than just profit, but also to pay attention to the social consequences of its activities they could have. A CSR strategy must therefore not be reactive, but taking it under control consistently.

Implications for stakeholders of Starbucks Customers

The relationship between the customer and Starbucks is very important as it ensures the business's success. Starbucks aims to satisfy all their customers, therefore it is best for Starbucks to be open and honest about how they operate. For instance, customers would be affected by their ethical decisions as they would like to know what Starbucks coffee is made up of. Would the coffee to contain an ingredient that does not appeal it could affect the decision of the customer to buy the coffee. However, at Starbucks thi is not the case as all ingredients are natural and fairly trade, customers are therefore attracted to starbucks coffee.

There are business that source products that have been produced whilst harming the environment, this could potentially have effected on how well the business performs. Because Starbucks gathers their coffee beans for farms that grow them naturally and are given fair wages for the work, this has a positive effect on how the customer see the business. if the customer sees a business that is not doing any harm to the environment but instead helping it, this will make the customer attracted to the business.

Employees:

Employees are very important stakeholders as they provide the man-hours which ensure Starbucks continues running on a day-to-day bases. Starbucks has many different job roles which help the business to run even more effectively, such as chef, cleaner, lory worker. Starbucks recruits many young employees as they are ethustasias and give the business a more youthful appearance, this helps to achieve success.

Moreover, employees are essential to keep the customers satisfied and give the business a better reputation. Employees want to be treated fairly with good working conditions, this means listening to their demands and giving breaks. Also do they want to be paid a good wage and on time.

Suppliers:

Starbucks only gathers products that are grown all-natural without any chemicals (as this affects the environment), by this ethical decision suppliers for Starbucks are affected. Starbucks are involved with farmers that grow their coffee beans as naturally as possible without any chemicals. The farmers receive fair wage for their work and at the same time Starbucks has good quality coffee beans. Also does Starbucks work with companies that produce environmentally mental friendly products like cups, spoons, fork to name but a few?

Moreover, therefore to be a supplier of Starbuck you will need to meet the requirement and the ethical decisions, this includes products that are of good quality and no harm to the environment while the product is being produced.