

Case Analysis Assignment

Introduction

The purpose of the essay is to examine the case of Starbucks, involving situations where employees asked customers to leave or move to another table. The essay uses human relations theory to describe how Starbucks' structure might have resulted on April 12, 2018. The essay also uses contingency theory to cultural excellence to describe the strategy used by Starbucks to address the issue and use of contingency theory to explain what might have led to the ejection of the police officers as well as the use of organisational learning to enable Starbucks moves forward from the situation.

Use of Human Relations Theory to Describe Starbucks' Events

On April 12, 2018, two African-American men were asked by an employee of Starbucks to leave the store (Starbucks Stories & News, 2018a, para. 1). The event can be described using human relations theory. The issue of April 12, 2018, can be tied to the third perspective of human relations theory, that is, informal structures. The existence of informal structures may have triggered the Starbucks employee's decision to ask the two African-American customers to leave. The incident sparked protest targeting Philadelphia Starbucks (Guardian News & Media Limited, 2018, para. 2). The informal structures of human relations approach make individuals develop their own, values, attitudes, as well as norms (Bruce & Nyland, 2011, p. 383). The issue can as well be described using job enrichment a job design variant. The variant focuses on increasing staffs' control over what they do through rearrangement of work (Burnes, 2017, p.89). As such, the Starbucks employee's decision may have been informed by the increased control. Organisations are required to become more responsive to the needs of their clients as per the job design. Nonetheless, Starbucks failed to consider the needs of the two customers.

The issue may be described using Fayol theory, which is a simple model of how managers interact with employees (Burnes, 2017, p.66). The theory emphasises on the need for the individual initiative, which Fayol considered to be dangerous (Burnes, 2017, p.66). Nevertheless, the mechanical approach of the theory does not focus on critical aspects of management, including communication and motivation (Burnes, 2017, p.66). As such, the employee might have felt neglected and demotivating hence reacting negatively towards the customers. Scientific management theory by Fredrick Taylor can as well be used to describe how the structure of Starbucks might have contributed the undesirable events. The theory advocated for the replacement of the rule-of-thumb approach as a means of enhancing employees' performance. Taylor believed that there is only 'one best way' approach to control employees' behaviour (Burnes, 2017, p.51). The theory is based on the premise that there are standard procedures and times for carrying out every task. The approach by Taylor may amount to demotivation of employees and contributing to the feeling of underestimation and alienation resulting to unfavourable work behaviour (Derksen, 2014), such as the incident that involved the ejection of the two customers from a Starbuck shop.

Contingency Theory and Cultural Excellence

To address the April 12, 2018 event, Starbucks closed 8,000 stores for four hours and carried out an anti-bias training for 175,000 employees on May 29, 2018 (Starbucks Stories & News, 2018b, para. 2). Starbucks adopted a situational strategy to address the issue after it went viral. The contingency theory is founded on the premise that there is only one best way for every organisation (Burnes, 2017, p. 93). Moreover, the theory argues that no two organisations tend to face the same contingencies since their situations are varied (Burnes, 2017, p. 93). The theory further maintains that practices, as well as structures of a given organisation, are primarily

dependent or somewhat contingent on the situations it faces (Abba, Yahaya, & Suleiman, 2018, p. 40). As such, the situational strategy adopted by Starbucks to address the issue involving the two African-American men can be traced back to the contingency theory. The anti-bias training offered to the employees was as a result of reputation risk it was facing at the time Starbucks (Stories & News, 2018b, para. 2).

The strategy can be explained using the environmental uncertainty and dependence perspective of contingency theory. The theory argued that management of any given organisation is carried out in situations characterised by uncertainty as well as dependence which changes over time (Burnes, 2017, p. 95). Uncertainty is as a result of the inability to understand and fully control events, particularly the action of others (Burnes, 2017, p. 95). In the case of Starbucks, the management came in to address the issue that was caused by one of its employees. The management took into account the issue of uncertainty through addressing the situation and even extended beyond their stores (Stories & News, 2018b, para. 2). Besides, based on environment perspective, the situational strategy by the management attempted to insulate their business operations from the uncertainty caused by the issue. The situational approach can as well as be explained using the concept of cultural excellence. For an organisation to demonstrate, cultural-excellence needs to poses several attributes, such as a bias for action and closeness to the clients, among others (Burnes, 2017, p.120). In the case of Starbucks, a bias for action was evident as the management responded by taking a suitable measure which, in this case, is anti-bias training. The approach was devised to realise a quick response. In essence, the approach involves breaking the issue into manageable actions. For instance, Starbucks conducted training among its staffs and hoped other corporations would emulate the same (Baertlein, 2018, para. 1).

An open systems theory was used to resolve the issue. The theory argues that changes in one part of an organisation, either external or internal, would result in changes to other parts of the firm (Burnes, 2017, p. 94). The anti-bias training was likely to change how employees were handling customers in all their stores. The changes achieved through training were also expected to be extended to other organisations facing similar challenges.

Ejection of the Police Officers from Starbucks' Store

The ejection of the police officers in Tempe Arizona can be explained through the pros and cons of contingency theory. The situation escalated, and Starbucks had to issue an official apology (Starbucks Stories & News, 2019, para. 2). Though the model has several pros in the case of Starbucks, it might have failed to yield desirable outcomes. The theory does not provide a procedure for setting appropriate objectives. Still, instead, it emphasises the need to identify as well as analyse situational variables a business is facing to select the suitable structure (Burnes, 2017, p. 105). Consequently, the parties involved in the ejection of the police officers may have had a significant degree of choice. As a result, the police officers were asked to leave Starbucks coffee shop as one of the customers complained about his safety (Calicchio, 2019, para. 1). Primarily, individuals in charge of such decisions may exercise a high level of freedom when handling a precise circumstance. The theory further fails to appreciate that operations of an organisation might depend more on the informal structures which are created by staffs than the one laid by the management (Burnes, 2017, p. 106). This might have come into play in the case of the ejected police officers as the staff may have followed the informal structure to make that decision. Moreover, the contingency theorists based their concept on systems theory. The assumption was that organisations are open systems and their internal operations as well as effectiveness depend on precise situational variables they experienced at any one time (Burnes,

2017, p. 93). This means that the employee may have reacted to the current situation s/he was facing.

Organisational Learning to Address Starbucks' Situation

Starbucks has an opportunity to utilise organisational learning to address the issue related to the ejection of customers from their stores. The business needs to consider a high-level strategic approach focusing on customer relations and satisfaction. To achieve this, Starbucks can focus on continuous improvement in their organisational learning. As such, the business would be required to adopt organisational learning as mechanisms to support on-going improvement initiatives meant to amicably address the issue of customers' ejection in various stores. Odour (2018, p. 2) argued that organisational learning should be aimed at assisting an entity in developing as well as utilising knowledge to change and improve on its performance continuously. As a result, adoption of the continuous improvement would help Starbucks enhance its capacity to change to meet the challenges associated with clients' ejection in the long run. Moreover, the approach would lead to an organisational learning culture. To further move forward from the events, Starbucks can adopt the Japanese approach to management. The approach entails engagement and commitment of the whole workforce and a series of internally consistent practices, norms, and behaviours founded on strong individual ties and trust. The approach also encompasses practices, including lifetime employment, promotion as well as collective decision-making. Continuous training and education also form part of the Japanese approach. The approach emphasises on the constant development of staffs to assist them in undertaking their tasks better (Burnes, 2017, p. 157).

Conclusion

From the case, it is evident that employees' actions against customers can have repercussions. Starbucks management handled the two separate issues. First, the company offered an apology and secondly; the management provided employees with anti-bias training to avoid future occurrence of the same.

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