

Case Study: Starbucks' Structure

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Starbucks case study includes the job description and job specification for the position of barista or a par person at the organization. It also reflects the suitable form of departmentalization for the company in case of offering lunch and food products. The case study presents an idea that in the situation of experiencing financial problems, the leadership at Starbucks should centralize power and decision-making. Finally, the case study includes the discussion of the best suitable organizational configuration for the company.

#### **Job Description**

The position of barista reflects everything associated with the customer service at Starbucks. Barista is the face of the company, and an expert in handcrafting the perfectly delicious beverages. This position is called to create the Starbucks customer experience by providing prompt service, quality products, as well as maintaining clean and cozy store environment (Barista (US), n.d.).

#### **Key Responsibilities**

- Delivering customer service by discovering and responding to customer needs, while connecting with consumers.
- Maintaining organized and clean workplace.
- Providing quality beverages and food products for all customers, following safety, health and sanitation product guidelines.
- Anticipating customer and store needs by evaluating consumer behavior and environment. Communicating all this information with the manager.
- Following the company's operational procedures and policies, including cash handling, and staff safety and security.

- Maintaining punctual and regular attendance (Barista (US), n.d.).

### **Job specification**

The main requirement for Starbucks employee is the true love for coffee and its customers. No prior experience required.

### **Required Skills, Knowledge and Characteristics**

- Strong interpersonal skills.
- Ability to build quality relationships.
- Ability to work effectively in the team.
- Ability to learn quickly in a fast-paced environment.
- Creativity to pass along ideas for improvements.
- Knowledge of the rules of etiquette and how to behave effectively with customers (Barista (US), n.d.).

Analyzing the Starbucks case, it is important to decide what form of departmentalization is best suitable for the company. Departmentalization is the aspect of design which is concerned with the business subdivision into units based on the certain criteria, such as function, for instance. The companies like Starbucks (i.e. restaurants) are most likely to use two or even more types of departmentalization at the same time. Some of the most popular means of departmentalization include grouping by the product type, chain of command, processes, location, customer groups and functional activities. Starbucks is most likely to use the grouping by location, because many company's coffee-shops around the world are managed by a hierarchy of staff. The supervisors manage the performance of a group of stores located in a specific geographical area. Once Starbucks starts offering food products, its stores should use the chain of command departmentalization form, which works when the restaurant needs more than one

management division. However, as mentioned above, Starbucks may use two forms of departmentalization simultaneously, instead of changing one into another. This phenomenon is called the combined departmentalization. It is used when the company, for example, decides to have a beverage department and a food department, with beverage reporting to the licensee and food reporting to a chef (Sandilands, n.d.).

Another component of the Starbucks case study includes the discussion of the question of choosing between centralization and decentralization of decision-making in case of experiencing financial problems by the company. The power at Starbucks is decentralized which means that the organization shares decision-making along with success and failures among supervisors and employees. When Starbucks starts experiencing financial difficulties (loss in sales leading to decline in profit) caused by overexpansion and increased competition, with the inability to provide high-quality products, it is necessary to centralize at least regional power and decision-making. In times of financial problems such advantages of centralized power as focused vision, reduced conflict of ideas and decreased difference in their implementation, fast execution of decisions and changes in operations, greater control and accountability, are necessary to improve the company's performance. Moreover centralized power saves financial resources, which is vital in times of profit difficulties (Kokemuller, n.d.). On the other hand, centralized decision-making model may go against the vision of Starbucks, which assumes the process of empowering its employees. Hence, it would be fair to return to decentralization after the financial situation improves.

Finally, the case study covers the issue of what is the best form of organizational configuration for Starbucks. According to Henry Mintzberg, an international business author, an organizational configuration arises from the interplay of the company's strategy, the forces of

environment, and the structure of an organization itself. The main successful organizational configurations defined by Mintzberg are: the entrepreneurial organization, the professional organization, the machine organization (bureaucracy), the divisional (diversified) organization, and the innovative organization or “adhocracy.” Starbucks is most likely to have the entrepreneurial organizational configuration which is simple and flat. It contains one large unit and one or several top managers. This type of organizational structure is informal and unstructured, which allows the company to be flexible. On the other hand, especially at time of lost sales and increased competition, the best organizational configuration for Starbucks can be the innovative structure. It meets the company’s need to innovate in order to survive and get ahead of its competitors (Mintzberg’s Organizational Configurations, n.d.).

The Starbucks case study covered the job description and the job specification for the company’s employee. It also examined the most suitable form of departmentalization for Starbucks. Once the company experiences financial difficulties, there is a possible need of changing its decentralized power and decision-making to the centralized one. Finally, the most suitable forms of organizational configurations for Starbucks were also discussed.

## References

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