

Horizon Consulting

<u>Team Member Name</u>	<u>Year</u>	<u>Major</u>
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Topic Title: A Bitter Aftertaste: When Starbucks' Profit, Principles, and People Collide

Audience: Starbucks' Board of Directors

Sustainable Development Goal

SDG # 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all

SDG # 10: Reduce inequality within and among countries

Executive Summary

With over 35,000 stores, Starbucks is a brand built on ethical employment, inclusion, and social responsibility. In the United States, unionized baristas and Starbucks Workers United have organized unfair-labor-practice strikes, starting on Red Cup Day and spreading to many cities. Administrative law judges at the National Labor Relations Board have found Starbucks broke labor law in several ways, including bad-faith bargaining, making unilateral policy changes, disciplining union supporters, and limiting union expression through dress-code rules. There are now more than 700 unresolved unfair-labor-practice cases against the company. These actions raise serious concerns under SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities), because workers are not consistently receiving fair treatment or a meaningful voice at work. This highlights ethical questions about unfair labor practices within Starbucks' operations. Furthermore, it raises concerns about the organization's public commitments and its actual conduct. As a result, Starbucks faces higher turnover, store disruptions, and lower service quality, which together threaten customer satisfaction, day-to-day efficiency, and the long-term trust that supports its brand and financial performance.

Horizon Consulting recommends that Starbucks take proactive steps to strengthen alignment between its employment practices and its company values. First, Starbucks should implement standardized, transparent workplace policies across all locations to ensure consistency in employee treatment and reduce perceptions of inequity. Second, the company should establish structured communication channels, such as regular employee feedback mechanisms and regional workforce advisory groups, to improve trust and address concerns before they escalate into disputes. Third, Starbucks should invest in workforce stability through improved training, career development opportunities, and retention-focused initiatives to reduce turnover and reinforce employee engagement. Underpinning these three initiatives, Starbucks should transform its corporate culture to protect the wellbeing of employees. By adopting these measures, Starbucks can reduce legal and operational risks, strengthen employee trust, protect its brand reputation, and support sustainable long-term growth while maintaining its leadership position in the global coffee industry.