

RESEARCH ON EMPLOYEES' CAREER DEVELOPMENT: CASE OF STARBUCKS CORPORATION

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ABSTRACT

The current study is designed to research employees' career development and employee retention rate, and the Starbucks Corporation as a case reference. Thirty participants who are having working experience 3 months and above have been recruited for the current study. As a section of participants, purposive sampling has been used as a sampling technique. Mixed method design means collects and analyses the data quantitatively and also qualitatively. The current study would have Cronbach Alpha greater than 0.70 to ensure the strength of reliability. Data would be analyzed quantitatively by running IBM SPSS in a systematic way while the data would be analyzed qualitatively by forming themes. Future studies should be larger the sample size and make arrangements for break time. The current study would contribute to the HRM, especially in the employee retention part.

INTRODUCTION

The performance of the employee could direct effect to the company then why employees play the important role of an organization. The quality of the employee is always important. An emerging issue of losing employee has happened in organizations since the past few years. The unemployment rate is increasing rapidly, especially in 2020. The pandemic of Covid-19 has led the unemployment rate in many countries, especially the United States, reached to the highest in the historical record. However, even in the unstable environment and opportunities of the job demand are in a limited choice, the employee that willing to work in the long run with an organization is still a rare case. Based on the survey of Harvard Business Review, there are only 30% of the employee will be experienced with working in the same organizations with 5 years and above. Starbucks Corporation, based in Seattle, Washington, is an American international coffeehouse and roastery chain. Starbucks Corporation is one of the world's leading coffeehouse franchises, and its employees are still appreciated. Starbucks Corporation would have a series of human resources management for the employees' career development, such as employee training projects. The employees' career development would be one of the succeed reason for Starbucks Corporation. Hence, Starbucks Corporation is used in the current study as a case reference.

Different age of the employees might have a different perspective and goal achiever. The passionate fresh graduate expected to learn something new from the company and getting a whole new opportunity in the company. The experienced employees expected to have a chance to improve themselves and stepping forward to their goals. However, the regular working scope that never changes will not satisfy the employees. Employees would seek for a chance to improve themselves, and if the existing company is not provided with the resources, they might seek to the other companies that provided the opportunities. An organization that having a series of employees' career development could develop the loyal staffs. This is due to when employees are satisfied with the company, and they might be more willing to commit to with the existing organization to achieve their goals. This could be a mutual benefit for both organizations and employee himself. Organizations could plant the employees who runs the company well in a long-term and individuals could get the chance to improve their personal skillset that could be useful in the future. Therefore, a research on employees' career development and its effect on employees' retention rate are investigated in the current study. Starbucks Corporation that with a well employees' career development plan is then as a case reference in the current study.

LITERATURE REVIEW

According to Gering and Conner (2002), twenty per cent of employees will leave the company after 3 months as they are starting to think critically. They will measure about what the companies could provide in the future. The Halo effect of the employees is disappearing after three months. Halo effect means that the first impression of the object that you contact with usually will leave a positive impression in mind. In the same article, there is 70 per cent of employees' tenure no longer than six months in an organization (Gering & Conner, 2002). Most of the time, the reason for leaving the company will be the employees could not feel belongings with the company and feeling there is no any opportunity to have personal growth in the company. In short, the employees are not satisfied with their existing jobs and not willing to have a long run to be in the same company.

As mentioned earlier, employee will always be seeking a job that suitable to them. All these are related to the two components which are job demand and job resources. Most of the time, the job demand could be controlled by the employees as they could get similar job scope in the same industry. The employees could compare and choose to the company if they are choosing based on the job demand. However, the job resources are not a controllable variable of the employees. The job resources are the opportunities that provided by the organizations. Most of the employees are seeking for a company that having the good job resources such as giving opportunities to attend several courses or having consultancy for developing personal skill set.

Fulfilling the expectation of the employee and the employees will be stay loyal and not simply switching their jobs. The employees career development means caring about the development of the employees and mostly fulfilled the requirement of job resources. With this, Starbucks Corporation did well in human resources management which planning for the employees' career development.

Employee career development should be one of the essential works of that Human resources of the organizations paid attention with. Employees are always the asset of the organizations and planting the employees to have several skill sets is always a benefit to the organization. Human resources of the organization could be designed various types of training and match with the employees with different personality trait. In general, there are several ways to the organization to support in employees' career development

RESEARCH METHODOLOGY

Population and Sampling

Thirty PHD students from Rajamangala University of Technology Krungthep are recruited. There is no limitation of distribution within gender. The current study is designed to explore on employees' career development and retention rate of employees. The Starbucks Corporation as a case reference. Hence, the participants that recruited should have working experience for at least three months and above. According to business insider officials, employees with three months of working experience started to have the thought of being employed. They would know the role of an employee and make a judgment of choosing the job suits them. They are realizing they are employed and consider about their future in the organization. That is the reason for choosing people who are having working experience instead of fresh graduates. All the participants should be fulfilled by the criteria above to ensure the current study are research in a proper way. All participants are volunteer to being a part of the current study and the informed consent form will be distributed to all the participants. All the participants are required to join both the interview and questionnaire section in the current study.

The current study is a mixed method design, which means a combination of qualitative design and quantitative design. This is due to the current study consists of investigation of qualitative data set and quantitative data set.

THE RESEARCH INSTRUMENTS

Two copies of informed consent form are needed, researchers will be keeping one, and the participant is keeping another one. A demographic sheet should be prepared to jot down the personal details of participants. Results of the effect between the variables will be based on the data that analyse through the questionnaire. A questionnaire of Perceived Organisational Support Scale (LaMastro, 1999) will be designed. It is a 7-point Likert scale which '0' represents 'strongly disagree' and '6' represents 'strongly agree'. A laptop will be

prepared to have a voice recording throughout the interview section. The audiotape will be kept in confidentially.

Data Collection

The current study is a mixed method design. There will be two data set to be collected, where are qualitative data set and quantitative data set.

For collecting the qualitative data set, participants will be interview by the researcher and there will be a recording. The audio recording will be converted to a word file and the researcher will analysis after the experiment. As mentioned earlier, probing would be used in the interview. Documentary will be used for supporting details too.

For the quantitative data set, there will be a questionnaire designed based on Perceived Organizational Support Scale. It is a 7-point Likert scale to measure the organization commitment of employee which means employee retention rate.

Discussion

The current study is research on employees' career development. As mentioned earlier, Starbucks Corporation would have a strong background of Human Resources Management that asccocaited with employee career development. Starbucks Corporation would be a good case reference in the current study.

The procedures of becoming a formal employee of Starbucks Corporation

Human Resources of Starbucks Corporation are still having some differences in recruiting and developing the employees compared to the other organizations. The recruitment of the Starbucks Corporation is followed:

1. Starbucks Corporation will be stated the number of the employee needed and open up for the recruiting.
2. Starbucks Corporation would have collected all the job applicants of the candidates.
3. All the information will be collected and analysed by the technologies in a first round.
4. The management will be decided who is qualified and fit in to their companies based on the information after that.
5. The candidates would get invitation of interview and the candidates required to do DISC personality trait test. This is for getting a better training method that suits the candidate in the future.
6. The management will interview the candidates in the certain time slot.
7. Once the candidates are enrolled, the candidates should receive the training within 2 weeks.
8. A mentorship program within the training is needed.
9. Once completing all the procedures and passed for the training and mentorship program, the candidates could be promoted to the formal employee.
10. Becoming a formal employee of Starbucks Corporation

Human Resources Management (HRM) of Starbucks Corporation

Howard Schultz, former CEO and chairman of Starbucks Coffee has said that “ the mission statement of Starbucks Corporation about treating people with respect and dignity is not just words but a creed they live by every day. You can't expect your employees to exceed the expectations of your customers if you don't exceed the employees' expectations of management.” The business structure of Starbucks Corporation is mainly created by the mission and vision of its own.

Starbucks Corporations are aimed to have the concept of 'more than coffee' and so Starbucks Corporation has distributed much more resources in developing their employees. Starbucks Corporation are focus on their Human Resources Management as they want to attract and retain the top person to their company. Human Resources of Starbucks Corporation has designed out a Human Recourses Management Theories based on their mission and visions.

The culture in Starbucks Corporation

No matter from the perspective of human resources management, the 5 be's or from the perspective of the mission, both of the culture of Starbucks Corporation are in a warmth and collectively growth.

From the 5 Be's theories, most of the Be's are building a culture of peaceful working environment. This theory is actually help to develop the skill set of the employee. Be knowledgeable is showing that Starbucks Corporation is caring about the growth of the employee and giving opportunity to the employee to learn. Be considerate is mostly applied in the mentorship program. It could also apply in giving feedback and sharing opinions, seeking for having growing environment with all the employees. Be involved should be grabbing the chance of given by Starbucks Corporation.

The mission and vision of the Starbucks Corporation have mentioned several times about the growth of the employees. In the mission part, inspire and nurture the human spirit should be done by the employee of the Starbucks Corporation and this means the culture of the Starbucks Corporation are willing to developing and helping the employees.

For the vision part, Starbucks Corporation is building a warmth culture. The 'uncompressing principles' means that Starbucks Corporation are tend to a warmth and peaceful culture instead of the stressful working environment. While 'we grow' definitely means that organizations and employees grow together. The organization will provide the environment and opportunities and the employee should learn have the willingness to learn it.

There are still a lot of the training program that organized by Starbucks Corporation to prove that the organizations are really giving chance and distributing the resources to the part of employees' career development.

In short, the Starbucks Corporation are building an environment that are warmth, peaceful but initiative.

Employees' Career Development

There are several programs that carried out by the employees' career development of Starbucks Corporation. The program that related to the employees career development that mentioned in the current study are: personality test, training program and mentorship programs.

The employees career development of the Starbucks Corporation and the culture of the Starbucks Corporation are stated above. All of these are main reason the of Starbucks Corporation could retain its employees in a long-term run.

As mentioned earlier, the organization commitment of the employee are highly associated with the employees career development. Starbucks Corporation are provided a series of employees' career development and this would bring valuation to the employees. The employees might feel the willingness by the Starbucks Corporation for giving opportunities to the employees. The employees will be feeling satisfied and staying in the Starbucks Corporation to learn more for achieving their goals, and at the same time, Starbucks Corporation are having a team of superior employees to get the profiting in a long-term run.

Other than that, the culture of that build by the Starbucks Corporation will lead the employees to have belongings to the company and having organizational commitment to Starbucks Corporation. The culture of warmth and peaceful will let the employees working in a relax environment. The supporting culture no matter from the resources of Starbucks Corporation or the help from the colleagues, this could allow the employees having feeling of belongings and want to stay in the Starbucks Corporation in the future.

In short, Starbucks Corporation are successfully applying the Human Resources Management to attract and retain the employees. The employees career development of Starbucks Corporation is helpful in getting employee retention of the Starbucks Corporation as the employees are always care about their growth.

DATA ANALYSIS RESULT

This chapter will analyze the data that are collected earlier, which are the quantitative data set (questionnaire) and qualitative data (interview).

Descriptive Statistics			
	Mean	Std. Deviation	N
RetentionRate	136.1333	5.03596	30
JobSupport	74.2000	2.60503	30

The mean and standard deviation of employee career development would be reported based on the Table 4.1 above, $M=74.20$, $SD=2.61$. While the mean and standard deviation of the employee retention rate would be $M=136.13$, $SD=5.04$.

Correlations

		RetentionRate	JobSupport
Pearson Correlation	RetentionRate	1.000	.936
	JobSupport	.936	1.000
Sig. (1-tailed)	RetentionRate	.	.000
	JobSupport	.000	.
N	RetentionRate	30	30
	JobSupport	30	30

Based on correlation table, employee career development is significantly correlated to employee retention rate.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change	Durbin-Watson
						F Change	df1	df2		
1	.936 ^a	.877	.872	1.80039	.877	198.898	1	28	.000	1.426

a. Predictors: (Constant), JobSupport

b. Dependent Variable: RetentionRate

Employee career development explained 87.7 % of the variance in employee retention rate, $R^2 = .88$.

Table ANOVA

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	644.708	1	644.708	198.898	.000 ^b
	Residual	90.759	28	3.241		
	Total	735.467	29			

a. Dependent Variable: RetentionRate

b. Predictors: (Constant), JobSupport

A simple linear regression analysis revealed that the model of employee career development significantly predicts employee retention rate, $F(1,28) = 198.90$, $p < .001$.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1.834	9.528		.193	.849	-17.684	21.352
	JobSupport	1.810	.128	.936	14.103	.000	1.547	2.073

a. Dependent Variable: RetentionRate

Employee career development is a significant predictor of employee retention rate, $b= 1.81$, 95% CI [1.55, 2.07], $t(28) = 14.10$, $p < .001$. Hence, the hypothesis that employee career development will predict employee retention rate is supported,

A simple linear regression analysis revealed that the model of employee career development significantly predicts employee retention rate, $F(1,28) = 198.90$, $p < .001$. Employee career development explained 87.7 % of the variance in employee retention rate, $R^2 = .88$. Employee career development is a significant predictor of employee retention rate, $b = 1.81$, 95% CI [1.55, 2.07], $t(28) = 14.10$, $p < .001$. This proved that there is an effect of employee career development on employee retention rate.

There are two types of data set are analyzed in the current study. The quantitative data set have proved the effect of employee career development on employee retention rate; while the qualitative set has proposed two themes which are employee career development helps Starbucks to lead in the Coffee Retailer field, and employee career development helps in raise productivity and retain employees.

CONCLUSION

Discussion of Qualitative Results

Starbucks Coffee Company is the world's leading retailer, roaster and owner of the Starbucks brand of specialty coffee. Its retail product portfolio covers more than 30 products, including the world's top coffee beans, handmade espresso and a variety of coffee drinks, fresh and delicious pastries, and a wide variety of coffee cups. The highly acclaimed Starbucks has been rated as the "Most Admired Company" by the American "Fortune" magazine for many consecutive years. Starbucks' performance rises steadily in the same industry every year. According to the data, from 2012 to 2016, Starbucks' ranking in the top 500 companies in the United States has increased year by year, rising from the original 227 to 146. In 2015, the operating income of Starbucks was nearly 19.2 billion US dollars, and the growth rate of operating income was around 15%, realizing the steady growth of profit. The coffee giant has posted 23 consecutive quarters of global sales growth of more than 5%. Financial data show that Starbucks has long occupied a position in the world coffee industry, and continue to expand (Haskova, 2015).

Starbucks' growth from a small coffee shop to a global coffee behemoth has been aided by the corporate culture. Corporate culture, as the heart and soul of a company, plays a crucial role in its day-to-day operations. Three elements are at the heart of Starbucks' organisational culture. To begin, construct a new experiential cultural environment. This was groundbreaking at the time. Schultz had built a kind of coffee life for his clients, a "third room" between home and work that they could use as much as they wanted. The second point to consider is the cultural orientation of self-value realisation. Starbucks has always treated its employees like partners, so all it has to offer is "portable advertising" and let the customer see an enterprise so kind to the staff, natural to the enterprise more trust and respect (Taecharungroj, 2017). Third, there's the promotion of creativity as a cultural goal. The first step in deciding whether a commodity is successful or not is to look at the raw material. Starbucks' high-quality coffee beans drew Schultz in when he first saw it. Starbucks has now developed special coffee bean supply bases all over the world to ensure coffee quality (Tikson, 2018).

Discussion of Quantitative Results

Based on the results of previous empirical studies, the positive effects of employees' perceived organizational support are mainly reflected in the following five aspects, essentially, there are several ways for enhancing perceived organization support in order to retain the employees.

First, demonstrate the organization's commitment to supporting its employees. In the design and implementation of various HRM measures, organizations should actively display their positive evaluation of employees' contributions and their active concern for employees' welfare. Employee recognition is reflected in measures such as incentives and promotions, which can greatly improve workers' feelings of corporate support.

Second, take constructive steps to help. Esteem and health assistance, as well as instrumental support, are among these initiatives.

Third, actively express senior leadership support. Top executives are sometimes seen as the embodiment of the business. As a result, successfully communicating senior leadership resources would have a direct positive impact on workers' perceptions of organisational support.

Fourth, Build a trusting and supportive relationship between staff and their immediate superiors. The direct supervisor is often viewed as the organization's representative, and the employee will consider the direct supervisor's care as a symbol and manifestation of organisational help.

Fifth, place a premium on procedural justice in the workplace. Structural procedural justice and social procedural justice are two types of procedural justice. The former applies to the consistency of rules, legislation, and procedures that concern workers, and is mostly expressed and shaped by organisational practises such as pay increases and promotions.

Sixth, create a supportive organizational climate. The general awareness of participants of different objective aspects of the organisation is referred to as organisational environment. Individuals can affect and mould their attitudes and actions by understanding the organisational environment, which creates a basis for them to interpret their organisational existence. In a supportive organisational environment, employee interests are respected and valued, and workers are encouraged to voice their own views and recommendations on the company's policy and activities.

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