

Corporate social responsibility and sustainable development—An exploratory case study based on Starbucks

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Abstract

The current social development background and the accompanying social problems require enterprises to find the best balance point between economic development and social responsibility to promote the sustainable development of enterprises. It is worth exploring the correlation between corporate social responsibility, corporate economic interests and corporate sustainable development. Taking Starbucks as an example, this paper explores how the construction of corporate culture from the perspective of stakeholders can influence and promote the sustainable development of enterprises while undertaking corporate social responsibility in the daily context and in the special context of COVID-19.

Keywords: Corporate social responsibility; sustainable development; COVID-19; Starbucks

JEL Classification System: M14 Corporate Culture · Diversity · Social Responsibility

Resumo

O atual contexto de desenvolvimento social e os problemas sociais que o acompanham exigem que as empresas encontrem o melhor equilíbrio entre o desenvolvimento económico e a responsabilidade social para promover o desenvolvimento sustentável das empresas. Vale a pena explorar a correlação entre a responsabilidade social das empresas, os interesses económicos das empresas e o desenvolvimento sustentável das empresas. Tomando a Starbucks como exemplo, este artigo explora como a construção da cultura corporativa a partir da perspetiva das partes interessadas pode influenciar e promover o desenvolvimento sustentável das empresas, ao mesmo tempo em que assume a responsabilidade social corporativa no contexto diário e no contexto especial da COVID-19.

Palavras-chave: Responsabilidade social corporativa; desenvolvimento sustentável; COVID-19; Starbucks

Sistema de Classificação JEL: M14 Cultura Corporativa· Diversidade· Responsabilidade Social

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Chapter 1 Introduction

1.1 Research background

Current developing background (fierce competition, demand diversity, social issues etc.) has brought more challenges the enterprise sustainable development (Bansal, & Song, 2017). Previously, these issues like pollution and labor disputes are not gain enough attentions from enterprises, but the practice proves that these social problems have negative influences on enterprise's productivity. This situation represents the current many companies to perform the social responsibility consciousness do not appear positive situation. Therefore, it is important for enterprise to keep balance between the economic development and social responsibility undertaking, which is to ensure the sustainable development of enterprises (Strand, Freeman & Hockerts, 2015). For the development goals of enterprises, it is not only necessary to improve the economic performance of enterprises, but also important to make contributions to society and bear relevant responsibilities. Corporate social responsibility uses ISO26000 standards, according to Strand, Freeman & Hockerts (2015) the construction of the national standard of social responsibility has become a guiding document to lead the enterprise's fast pace on social responsibility undertaking.

Corporate social responsibility shows both positive influences and negative impacts for the enterprise's development, which not only creates profits to the enterprise, but also results in the increase of enterprise costs. There are four different views on explaining correlations between how enterprise undertake social responsibility and its performance. Some studies believe that corporate social responsibility and economic interests appears the negative correlation (Aupperle, Carroll, & Hatfield, 1985; Banerjee, 2008), thus having a negative role on the company's sustainability. The second view holds that there is an inverted U-shaped relationship between corporate social responsibility and corporate performance. Moon (2007) finds that when the relationship between stakeholders is effectively managed and coordinated, the company's performance will be improved; when the corporate social responsibility behavior deviates from the company's affordable range, the company's performance will be reduced. The third view holds that there is a U-shaped relationship between social responsibility and corporate performance (Zhang & Guo, 2018). Kolk & Van Tulder (2010) believe that when enterprises do not highlight social responsibility, they are not willing to spend extra costs such as fees for pollution reduction and increasing welfare of staffs, so their financial performance is high. When enterprise increasing its inputs for social responsibility, it is inevitably that costs for operation are increased within the reduction of profits in short term. However, from the long term perspective, when the situation is increased to a certain high level,

shareholders of the enterprise will be beneficial from the high reputation, consumers' trusts and the social positive reviews for the brand, and the enterprise will have better financial performance. There is also a view that corporate social responsibility is positively correlated with corporate financial profits (Zhang, Wang, & Fung, 2014).

Based on these different views from existing researches, the inconsistency about this research topic sources from the reality that corporate social responsibility and corporate performance are multi-dimensional concepts, and different measurement methods will bring different results. Then, will the social responsibility on the foundation of stakeholders about making sure of the sustainable development of the enterprise, and in what way will it be realized?

At present, only financial information is mandatory for corporate information disclosure, and there is no mandatory disclosure requirement for corporate social responsibility information. But Starbucks' Global Environmental & Social Impact Report reflects the company's self-awareness in Social responsibility disclosure, which has been going on for over 20 years. The main social responsibility information disclosed by Starbucks includes poverty alleviation and training cooperation for coffee growers, efforts to reduce carbon emissions, contributions to the community, tolerance for minority groups (whether customers or employees), and promotion of employees' sense of belonging. These actions show that Starbucks intends to develop an organization within human beings welfare, global environment protection and green development as well as economic benefits. This means that Starbucks has embodied social responsibility into its corporate culture, the culture guides its practices for social responsibilities.

This dissertation will take Starbucks as an example to discuss how the construction of corporate culture from the perspective of stakeholders can promote and influence the sustainable development of enterprises while taking corporate social responsibility. On the other hand, although enterprises have enhanced their awareness of the social responsibilities they should undertake and carried out some practices to fulfill their social responsibilities. For example, enterprises can be seen in the disaster relief process of natural disasters, but these events are unusual behaviors in unusual times. In daily practice, how should enterprises assume their social responsibilities? In addition, in the context of COVID-19 pandemic, Starbucks' experience in assuming its social responsibility for its employees, consumers, suppliers, local communities and other stakeholders can provide reference and inspiration for other enterprises to assume social responsibility.

1.2 Research aim and objectives

Based on research backgrounds, it is obvious although there are a lot of existing research about how corporate social responsibility influencing corporate performance, but it lacks the research about its influences on corporate sustainable development, because the sustainable development of different enterprises has strong diversity. In the background, Starbucks is an enterprise initially undertaking social responsibility for more than 20 years, and based on its corporate culture, its development is sustainable. In this dissertation, the aim is to explore how the construction of corporate culture from the perspective of stakeholders can promote and influence the sustainable development of enterprises while taking corporate social responsibility on the foundation of Starbucks case study. Moreover, the special environment of COVID-19 pandemic also needs to be considered. In order to achieve this goal, there are three research questions:

- (1) How Starbucks take corporate social responsibility in the process of corporate culture construction?
- (2) How social responsible corporate culture influence Starbucks sustainable development?
- (3) How Starbucks keep balance of social responsibility and economic performance in the development?

1.3 Research rationales

It is helpful to develop and perfect the theory of corporate social responsibility. This dissertation conducts a systematic research on the realization mechanism of constructing a high ethical level enterprise based on stakeholders and corporate culture, which can not only effectively solve the practical problems in the process of increasing enterprise ethical level and charity level. More importantly, the corresponding theoretical research framework used in this dissertation, the theory of corporate social responsibility realization mechanism research made beneficial exploration and deepen the ins and outs on corporate social responsibility realization mechanism and improvement strategy of theoretical knowledge, so as to promote corporate social responsibility theory research of academic innovation, and promote the further development of relevant theory.

It help stakeholders to jointly promote corporate social responsibility work. The social responsibility in the research in this dissertation is not assumed and realized by the enterprise alone. Secondly, it needs to be jointly undertaken and promoted by the stakeholders. Embedding stakeholders into the design of corporate social responsibility implementation mechanism requires enterprises to construct mutual cooperation and symbiosis and win-win behavior among stakeholders from the aspects of culture and system, so as to promote stakeholders to participate in the specific work of corporate

social responsibility. Therefore, the research results of this dissertation will incorporate corporate social responsibility into the daily business activities of enterprises, so as to make corporate social responsibility specific and ensure that stakeholders jointly promote the work of enhancing corporate awareness for undertaking social responsibility.

It has the positive role in value creation, which is for gathering different stakeholders' efforts for corporate development. This dissertation promotes the high quality social responsibility related value's realization by constructing a socially responsible corporate culture, so as to promote the enterprise to create value and realize sustainable development. The realization of corporate social responsibility is a systematic and complicated long-term process, which needs the joint participation and role of stakeholders. In this process, the interest requirements of different stakeholders will not only be different, but even conflict, which is bound to affect the enterprise value. This dissertation, by studying under the guidance of socially responsible corporate culture, the author explores how Starbucks integrate corporate responsibility into the corporate management and operation, build a corporate social responsibility realization mechanism to balance and coordinate the relationship between the stakeholders interests demand, and establish long-term cooperation of stakeholders pattern, ensure the promotion of enterprise value.

Chapter 2 Literature review

2.1 Introduction

Since Owen Shelton formally put forward “corporate social responsibility” in 1923, the academic circle has been debating whether enterprises should undertake social responsibility for a long time (Baden, 2016). For example, in the 1930s, two professors Bell and Dodd had the “Harvard debate” (Baden, 2016). It was not until 1953 that Bowen made it clear that enterprises should assume social responsibility (Dusuki & Yusof, 2008). There are following debates for who are corporate social responsibility’s stakeholders, how to distinguish the financial performance and social responsibility performance, and how to keep balance of them to ensure corporate sustainable development. In this dissertation, within the research goal of exploring how Starbucks achieve sustainable development goals through active undertaking responsibilities in the society like labor, environment and community etc., it is necessary to review existing research about who are the targets of corporate taking social responsibility, the relationship between corporate social responsibility and sustainable development, and what factors take effects in the relationship. Thus, this chapter contains three parts: corporate social responsibility and stakeholders, the relationship between corporate social responsibility and sustainable development and factors influencing the implementation of corporate responsibility.

2.2 Corporate social responsibility and stakeholders

2.2.1 Pyramid model

The pyramid model proposed by American scholar Carroll (1991) introduces the relevant theories of corporate social responsibility in detail. Based on this theory’s framework, there are four levels of social responsibility in enterprise from basic responsibility to high level responsibility, economic responsibility is the most fundamental level of enterprise, and the next level is about legal obligation

of enterprise, then ethical responsibility and charitable responsibility are high-end responsibility for corporate development (Baden, 2016).

Economic responsibility guarantees enterprise's survival, is the pursuit of the maximization of interests, earn more profits, the foundation of this is to ensure that enterprises can survive, only for the enterprise of the shareholders, investors and stakeholders to obtain economic income, can attract more investors and more business opportunities, this is the most fundamental responsibility of enterprise survival (Dusuki & Yusof, 2008). For legal responsibility, it is based on enterprise's role as a citizen in the society. Therefore, they should perform their due obligations while enjoying civil rights, and it is regarded as basic principle of enterprise's reasonable existence. Compared with legal and economic responsibilities, ethical responsibilities view the development of enterprises in society from a more humane perspective (Baden, 2016). It requires companies to obtain profits ethically, not by hook or by crook, on the basis of legality. Charity responsibility requires responsibility for other issues in society as a whole, which is above ethical responsibility (Lu et al, 2020). The supporting for charities and enhancing different stakeholders' welfare needs to be spontaneous behaviour, which reflects the positive feedback of enterprises to the society. In the context of current society, enterprises have stronger power to gather more resources, and they need not only accumulate their own profits, but also care about what they can do to the society (Lu et al, 2020). For the enterprise undertaking corporate social responsibility, it is not a one-off work or a kind of superficial task, it is a long-term, culture embodied belief of the company. It is obvious that enterprise becomes one of main bodies of the society, so it is necessary for enterprise to undertake responsibility like an important part of the society.

2.2.2 Stakeholder and Instrumental Stakeholder Theory

Stanford Research Institute was the first to define the concept of stakeholder. Subsequently, organizational form means that an enterprise needs to carry interest requirements of various groups and an enterprise is a group that integrates the interests of various groups. Stakeholders are those groups that support an enterprise and help it realize its sustainable development. For different stakeholders, they have various interest demands standing for their own benefits, and enterprises themselves also have their own position, so it is necessary to keep balance of these different demands (Arnold & Valentin, 2013). Consumers' interest appeal to enterprises is to hope that enterprises can produce high-quality products or provide high-quality services, so enterprises mainly have legal and ethical obligations to consumers.

According to the Instrumental Stakeholder Theory, corporate social responsibility acts as a balance between the long-term interests of companies and the short-term interests of many investors. (Waddock & Smith, 2000). Corporate social responsibility means that while enterprises are responsible for shareholders, they also need to be responsible for stakeholders including employees, raw material providers, environment and local government and communities. During the development process of enterprise, it needs to take these stakeholders' demands into account.

2.2.3 Strategic corporate social responsibility

Based on the theories reviewed above, corporate needs to take different responsibilities to the different stakeholders, the cohesion of corporate social responsibility is complex. On the foundation of the introducing of stakeholder networks, Carroll (1979)'s model has been further development by Jamali (2007) and he pointed out that corporate social responsibility can be understood from three aspects with the help of pyramid model: economic, legal and environment, and these are three main developing aspects of enterprise. Different from the mandatory nature of corporate social responsibility such as economic responsibility and legal responsibility, strategic corporate social responsibility belongs to the top level of discretionary responsibility. Different from the altruistic responsibility carried out by an enterprise solely based on moral responsibility, strategic corporate social responsibility has close relationship within the key business of an enterprise and takes into account both corporate interests and social interests. It is explicit that strategic corporate social responsibility plays an important role in sustainable development of corporate, which needs to be detailed analyse in this part.

Porter and Kramer (2006) went further into the study of strategic corporate social responsibility. Based on the theory of competitive advantage and stakeholder theory, they take the symbiotic relationship between enterprises and society as the basic assumption, and propose that the implementation of strategic corporate social responsibility can solve social problems and obtain sustainable competitive advantage at the same time, and finally create shared value for enterprises and society. According to the different behaviour patterns of enterprises to deal with social problems, they divided strategic corporate social responsibility activities into two types: those focusing on transforming their own value chain and those focusing on improving the external operating environment. This concept is in line with Porter's research results in the field of strategic management, and its conceptual framework is more complete. Taking enterprise value chain and competitive environment analysis as the starting point of strategic corporate social responsibility implementation can also better guide enterprise practice. McWilliams and Siegel (2011) put forward a

broad definition of strategic corporate social responsibility, holding that all “responsible” behaviours that enable enterprises to obtain sustainable competitive advantages, namely, those that can enhance the competitiveness of enterprises, are strategic corporate social responsibility.

It can be seen from these points of view that strategic corporate social responsibility is a behaviour that enterprises independently plan and implement according to their core business based on business ethics. It is characterized by the duality of pursuing economic goals and social goals at the same time, and lays more emphasis on the sustainability of corporate economic interests. Related to corporate responsibility management policies and measures, the motivation for enterprises to fulfil strategic corporate social responsibility is to adopt a pre-emptive strategy beyond legal requirements, which is the active responsibility behaviour of enterprises to incorporate social and corporate political pressure, norms and expectations into their business activities.

2.3 Relationship between corporate sustainable development and social responsibility

Based on the previous analysis about the enterprise’s demand and corporate social responsibility’s cohesion, it can be regard corporate social responsibility as enterprise’s role of a part of society, so how to undertake responsibility is the necessity of a part of society (Moon, 2007). Kolk & Van Tulder (2010) believe that enterprises have the demands for pursuing the unity of economic, social and environmental benefits and realize the harmonious coexistence between them and consumers, society and natural environment. From this point of view, enterprises to fulfil corporate social responsibility is the internal needs of their own sustainable development (Hamann, 2003). Thus, although enterprise has the pursuit for profit maximization, the sustainable development is the important purpose for the enterprise gain more profits in long term, so under the condition of profit maximization, it is necessary for enterprise to consider benefits of communities, environment and other stakeholders (Ye et al, 2020). Enterprises need to bear their corresponding social responsibilities, which is based on the cohesion of sustainable development. In the changing economic environment and competitive market conditions, effectively coordinate all resources, constantly improve the technological level through innovation to form the unique competitive advantage of the enterprise, and meet the needs of stakeholders while achieving long-term profitability and maintaining competitive position (Ye et al, 2020). Alvarado-Herrera, Bigne & Curras-Perez (2017) believe that during the process of enterprise value creation, social responsibility has various relationships within external environment, so it embodies effects in every link of corporate value creation, that is to say, corporate management should “endogenously embed” social responsibility.

In the field of corporate social responsibility research, the relationship between corporate social responsibility and financial performance has always been the focus of controversy. The neoclassical economic school represented by Friedman believes that the only responsibility of an enterprise is economic responsibility, and taking social responsibility will only increase the self-interested behaviour of managers and damage the interests of shareholders (Friedman, 1970). Freeman's Stakeholder theory (Freeman, 1984) believes that a company's performance of social responsibility can meet the needs of stakeholders, improve its corporate image and gain the support of stakeholders, so as to win value growth.

There are a series of systematic literature review about the relationship between sustainability and corporate social responsibility, and from these statistical calculation, the positive influences results are much more than diverse conclusions in the context of different social backgrounds and measurements. For example, social responsibility also has a positive impact on the daily organizational behaviors of enterprises, such as improving employees' job satisfaction and job performance, helping to maintain employee relations and enhance employees' creativity, and attracting more job seekers (Qorri, Gashi & Kraslawski, 2021). Therefore, the fulfillment of social responsibility not only changes how enterprises link within external environment, but also improves the internal interpersonal relationship of the enterprise and creates a good internal and external environment for enterprise operation.

As for the reasons for the different conclusions about these two variables' relationships, scholars mainly analyzed the procedures and methods of these existing studies, and summarized the following two reasons (Lindgreen et al., 2009): when researchers adopt different perspectives in investigating the two variables, they may lead to various indicators (mainly manifested as the failure to consider the role of mediating variables and moderating variables).

Scholars firstly pay attention to the inconsistency of conclusions caused by the diversification of measurement indicators in empirical studies. On the foundation of the triple bottom line (TBL) theory about what kinds of social responsibility enterprise needs to set the bottom line: the responsibility to the society, environment and economic development (Griffin and Mahon, 1997). In terms of macro view, the TBL theory defines corporate strategic purposes and values for creating values in these three aspects, and it is necessary to take different stakeholders' demands into account, which is to reduce damages for various stakeholders' interests (Xia et al, 2018). From the micro

point of view, when taking economic purposes into account, enterprises must determine their social and environmental goals, fulfill the basic requirements of responsibilities in these three aspects, and take this as the framework to measure corporate performance and these three aspects' parameters, so as to make corporate social responsibility behavior (Xia et al, 2018; Dhar, Sarkar & Ayittey, 2022).

For another, when companies in different developing situations, they have different emphases for corporate social responsibility. When enterprises are in the early stage of their life cycle, they tend to take economic interests as their development goals. Their development mode is generally not sustainable and will not focus on future interests. Only under the supervision of the government and the attention of the society will they pay attention to the impact on the society and fulfill their social responsibilities. Such short-term operation behavior will lead to the deviation of business objectives and social objectives of enterprises, which will seriously affect the survival and sustainable development of enterprises (Hoque et al, 2018). Within the mature development of the society and modern enterprise, many enterprises are regarded as “hypocrisy” when they fulfil their social responsibilities (Guerrero-Villegas et al, 2018). Such questioning of corporate social responsibility behaviour sometimes spills over into negative evaluation of the whole enterprise, or even severe punishment of the enterprise (Janney & Gove, 2011). Ait Sidhoum & Serra (2018) find that fulfilling social responsibility affects the enterprise to create a good external environment, such as actively fulfill the social responsibility of enterprises can increase customer loyalty, community, government and some interest groups of social support, and attract more investors, improve the investor participation and reduce agency cost, help enterprise out of the financial difficulties, etc.

In summary, as a social part, corporate social responsibility is endogenous demand of enterprise development, to fulfill the social responsibility can help to produce favorable impression to its stakeholders, and obtain good social image and reputation, improve and strengthen the relationship between stakeholders and enterprise, for enterprise stakeholders to supportive behaviors, and to create new business for the enterprise. As a strategic behavior, the better the social image and reputation, the more strategic cooperation opportunities enterprises will get.

2.4 Factors influencing the relationship between corporate social responsibility and sustainable development

Aguinis and Gloves (2012) have made a systematic literature review within the sample size of more than 700 journal articles and books about social responsibility from 1970 to 2011, and compare the corporate social responsibility's measuring indicators, results, motivations, mediating and

moderating indicators in these literatures. The relative inadequacy of mediating and moderating effects in existing studies is emphasized. Within the systematic literature review about 335 journal articles about firm level's social responsibility, Luetz & Walid (2019) find that only 33 empirical papers studied the moderating or mediating relationship, and the mediating variables mainly included intangible assets and the management role of strategic corporate social responsibility. There are relatively many literatures investigating the moderating effect, and the moderating variables mainly include enterprise size, slack resources, debt level, etc. The conclusion is that enterprise size, available additional resources and visibility have moderating effects on the relationship, and visibility is explicitly significant among these moderating indicators (Revelli & Viviani, 2015; Luetz & Walid, 2019).

For corporate social responsibility's effects on an enterprise's sustainable development, there are two aspects can reflect the influences. For one thing, The disharmonious relationship between the enterprise and the stakeholders can be linked through the enterprise's performance of social responsibility and generate trust, so as to reduce the agency cost and mitigate the transaction risk. Moreover, it further enhances the trust of stakeholders in enterprises, obtain their long-term support, and form a virtuous circle of mutual promotion between the two to achieve win-win cooperation (Bernett, 2007). On the other hand, the active implementation of social responsibility is an effective way to enhance the soft power of enterprises and establish a good social image. It can effectively improve the social reputation of enterprises and enhance the competitiveness of enterprises invisible (Baumgartner, 2014). At the same time, a variety of internal and organizational orientation factors are considered to have potential mediating or moderating effects on the relationship between the two and enter the research model.

Indeed, these moderating variables and mediating variables in the empirical researches cannot summarize a particular case enterprise's real situation, it is necessary to have a factor within more cohesion. In terms of qualitative research, the current research mainly focuses on the impact of corporate culture on the implementation of social responsibility. For one thing, enterprises need to embody legal, ethical and charity notions into its operation norms and forming core culture, which can help to undertake social responsibilities. The high level of awareness and application of undertaking social responsibilities is helpful for gaining great reputation in the market and obtaining consumers' satisfaction as well as suppliers' trusts. To certain extent, it benefits for enterprise make financial returns. For another, it is known that corporate culture cannot be established for short term, so social responsibility is beneficial for promoting the cohesion function of enterprise culture,

enhancing the restraint ability of the culture and clarify future development of culture development. Carrasco and Buendia (2013) hold the view that undertaking social responsibility increases corporate profits and promotes sustainable development of enterprises (Baumgartner, 2014).

Therefore, corporate social responsibility influencing factors included in corporate culture will guide and constrain enterprises, and corporate culture has the influences on how to build the practice framework of enterprise when undertaking social responsibility. The culture suitable for the enterprise should be used to lead the enterprise to perform corporate social responsibility. In turn, when enterprise has good achievement in social responsibility, it is naturally for it to reach the visions based on its culture. That is to say, the corporate culture can be further consolidated during the process of undertaking responsibility as a social member.

2.5 Research framework

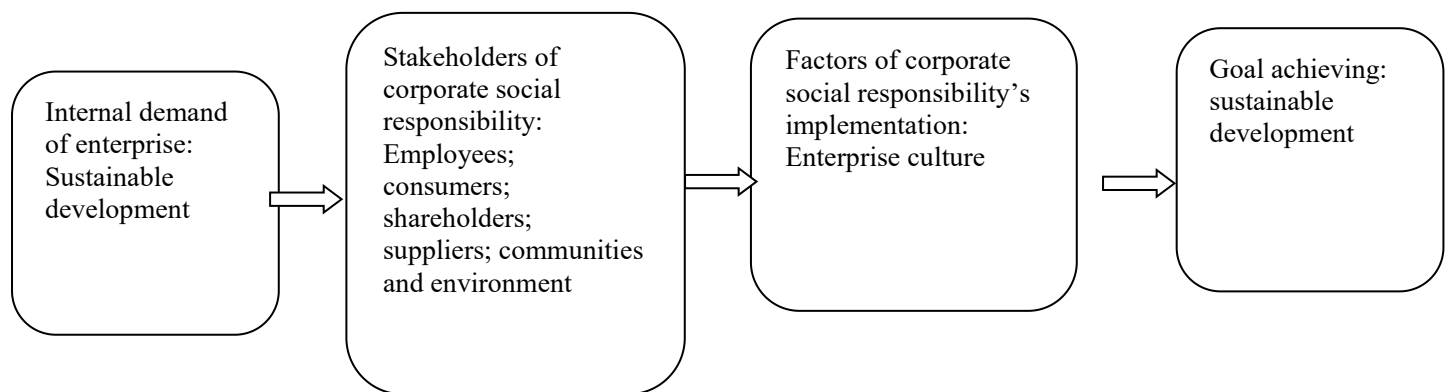


Figure 1: Research framework of this dissertation

Based on the above literature review, starting from the fact that sustainable development is the basic requirement of long term economic benefits for enterprise and it is the endogenous demand, and this study is to find the path to achieve sustainable development is for enterprises to assume corresponding responsibilities to stakeholders. Moreover, what roles of corporate culture play during this process are also investigated.

Chapter 3 Methodology

3.1 Introduction

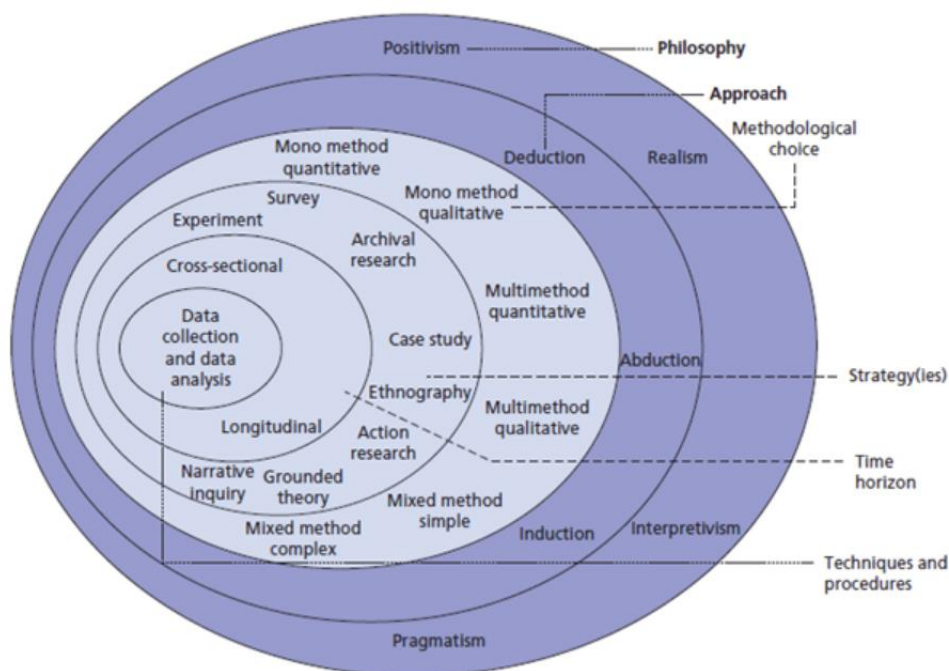


Figure 2: Research philosophy in the ‘research onion’

Source: Saunders, Lewis & Thornhill, 2016

The methodology development in this study is based on research onion model, and it has different layers of researchers conduct study (Saunders, Lewis & Thornhill, 2016). Based on this model, after the introduction, this chapter shows this study’s research philosophy and research approach. Based on the philosophy, it is to further develop methodological decision of qualitative research method and quantitative research method. Moreover, case study is the main research strategy adopted by this dissertation, which needs to be illustrated for the selecting reasons. Then, for data collection and analysis, secondary data are main sources of this case study. Finally, ethical issues will be consideration.

3.2 Research philosophy and approach

There are two philosophical positions of social research: positivism and inepretivism.

The research basis of positivism is the correlation of human internal behaviors, that is, people’s behaviors can be self-recognized and governed by clear motives (Wittgenstein, 2014). If researchers can use strict measurement methods to obtain the specific situation of self-cognition and motivation of people’s behavior, it can effectively explain some behaviors of people. The philosophical basis of this philological position is ontology, that is to say, positivism means that reality is really existed and

there is a repeatable rule between things. In the positivist category, a theory is an abstract concept that explains reality. Interpretivism is also derived from ontology, which also means that it recognizes reality as real. Different from positivism, it believes that reality has local characteristics. Not only the existing situation is influenced by culture and personal experience, but also the interpretation of reality is also influenced by the background and way of thinking of researchers. So, it argues that reality is constantly changing, and society is constructed by these constantly changing individuals. At this point, the reality is that revolves around the individual itself are organized in the present situation, this situation constitutes the focus of attention of insider for reality, only experience here at this time is real, constitutes the self-consciousness of the true thing, and only in this context, people's behavior that can be understood (Oakshott, 2012).

The decision of philosophical position is based on research aim and objectives. In this dissertation, there are three research questions: (1) How Starbucks take corporate social responsibility in the process of corporate culture construction? (2) How social responsible corporate culture influence Starbucks sustainable development? (3) How Starbucks keep balance of social responsibility and economic performance in the development? From these three research questions, there are explanatory research questions. Moreover, on the foundation of literature review, there are theories related with the research topic but the author does not need to provide the hypotheses for the further research design, so it is inclined to interpretivism as the philosophical position of this dissertation.

For research approach, three research approaches are usually to theory development, that is, deduction, induction and abduction, and it reflects various reasoning processes for the research to make knowledge (Oakshott, 2012; Saunders, Lewis & Thornhill, 2016). This dissertation employs the inductive approach, which highlights the practical realities to theories have not been put forward. Thus, in a study with inductive approach, it does not mean that no need for literature review, it is necessary to review related literature and theories to help to gather information correctly. Therefore, the inductive approach is to verify or falsify existing theories (Saunders, Lewis & Thornhill, 2016; Bell, Bryman & Harley, 2018).

3.3 Research methodological choice

This dissertation selects qualitative research method as methodological choice, but it does not mean only collect qualitative data rather than quantitative data (Bloomberg, Cooper & Schindler, 2014). First of all, qualitative research helps to provide a detailed description of Starbucks' corporate culture, social responsibility and sustainable development, which can restore and maintain the true

meaning of behavioral or environmental factors given by people. Secondly, qualitative research helps to record the commemorative moments of the important management issues and concepts of the enterprise, thus enriching the research related to management (Bell, Bryman & Harley, 2018). Finally, qualitative research is convenient to reveal the interpersonal interaction behavior behind the phenomenon and its meaning or the internal relationship of variables, which can improve the research and theory (Saunders, Lewis & Thornhill, 2016). It is suitable for studying complex and unpredictable subjects and can provide comprehensive and realistic descriptions, some of which cannot be measured by variables (Oakshott, 2012). This represents a research choice, not just a data type. Qualitative research is often exploratory data, and there are no strict assumptions to guide data collection. They are more open and less restricted.

3.4 Research strategy: case study

Case study method has the research start point of realities for the purpose of expanding theory (Yazan, 2015). For the typical situation, case study is on the foundation of inductive logic process and the researchers believe there is internal logic in realities (Yin, 2009). Taking stakeholder theory as the starting point, this dissertation studies the question of “how”, that is, the researcher intends to explore the internal logic of case realities in Starbucks, so using case study is a good option (Yin, 2009). The merit of this research strategy reflects on various information even for the same point, it is easy to form evidence triangulation, which can carry out more focused analysis and define the conceptual theory more clearly.

When the researcher selects case company, there are two factors need to be considered: one is the typicality of the company, which means the enterprise needs have social responsibility behaviour for typical good performance or negative performance; the other is accessibility and availability of data about the case (Eisenhardt & Graebner, 2007). In this study, Starbucks is selected as a case sample mainly based on the following two points: first, as a global enterprise, Starbucks has been playing an active role in social responsibility; second, in the context of COVID-19, Starbucks still ensured a good profit situation despite fluctuations, which means the enterprise keeps balance between economic development and social responsibility undertaking. On Oct 28, 2021, Starbucks claimed its financial performance 2021 as a global coffee provision chain, which ended on Oct 3, presenting investors with a strong report card, reversing the decline of its performance in 2020 due to the COVID-19 pandemic (Starbucks, 2021). Its stock market capitalization reached another record high of \$130.355 billion at the end of fiscal 2021 (Starbucks, 2021). Therefore, Starbucks is a good option for the case selection.

3.5 Data collection and analysis

This research adopts the method of literature and interview to collect the data needed for the case study. Firstly, through EBSCO database and other important relevant literature, it is necessary to sort out contents related within topics about enterprises' sustainable development, the undertaking of social responsibility and what roles of corporate culture play. Secondly, the internal data of the company, such as documents of the company's management (including the business and sustainable development report of Starbucks), meeting reports and minutes, employee participation feedback forms, various work reports, and public media reports such as the company's official website, are taken as the analysis objects. It is to analyze how the corporate culture of Starbucks reflects the demands and interests of stakeholders, how to show its achievements in these two aspects.

The case data analysis needs two points. First, the specific strategies adopted by Starbucks are based on the corporate culture, what social responsibilities they undertake, and how they contribute to sustainable development. This logical chain needs to be focused on. In addition, Yin (2009) emphasized in the case study that cases as experiments need to reflect replication logic. That is, the conclusions drawn from the case studies need to be consistent with the research evidence in each case. For cases where the theoretical structure is not supported, it provides opportunities to further improve and expand the theory. Therefore, in case analysis, it is necessary to make comparative analysis of case facts and relevant theoretical conclusions to compare similarities and differences.

3.6 Ethical considerations

Firstly, it is necessary to keep objective during case study, for each part, the researcher needs to focus on data within different sources. It is necessary to have clear comparison between different data, and the researcher cannot discard any data. Next, in terms of data security, the survey data is stored in a laptop with the protection of a passcode only available and accessible by the researcher.

Chapter 4 Findings and analysis

4.1 Introduction

In this chapter, there are three parts of the case study's findings. The first part is about findings from secondary data of related files and reports about Starbucks' sustainable development, especially for Global Environmental and Social Impact Report of Starbucks. Then, this chapter also provides critical discussion based on findings.

4.2 Starbucks' social responsibility undertaking

Based on the corporate social responsibility report of Starbucks, the enterprise gather data and make analysis in terms of three aspects about what kinds of social responsibility it takes: increasing human well-being, protecting environment and strategic alliance within coffee farmers in poor regions. As the core secondary data of this part's findings, gathered with other related files, Starbucks' efforts for social responsibility undertaking situation is illustrated from these three aspects.

4.2.1 Starbucks' human well-being

In the literature review, the author provides the theoretical framework to highlight stakeholders of enterprise plays an important role in social responsibility implementation. In this case, not only for the aspiration but also for the practice, the organization invest to increase every stakeholder's well-being, including internal stakeholders like employees and external stakeholders like coffee growers. For these stakeholders, human well-being not only contains economic benefits but also includes the respect from the society and fairness in development. To this end, Starbucks sets a series of principles and policies within the goals to promote human well-being and safeguard equity and justice.

In this part, the inclusive corporate culture is fundamental. To be specific, it banned discrimination against people of different sexual orientations¹. It aims to be the employer that provides the most equal workplace, and has maintained the high level in Human Rights Action Equality Index from 2013-2021, even reaching 100% in this index. Second, it retained to improve the inclusion of the disabled right and opportunities in the workplace. It scored 100 points in the Equality Index for People with Disabilities for fiscal years 2015-2019. Third, Starbucks is dedicated to shaping the whole notions in the enterprise for co-creation and sharing. Growing together with employees and letting employees share the fruits has become the unremitting pursuit of Starbucks. In fiscal year 2020, Starbucks continued to win the title of “Best Employer”. For another, fairness is also an important element of Starbucks’ corporate culture. The first goal has been achieved in fiscal year 2018. The second goal has not been fully achieved, but it has been achieved in many developed countries and China in fiscal year 2019. Equal pay for equal work, regardless of gender or race, has become the norm at Starbucks. Thirdly, Starbucks’ corporate culture advocates the cooperation of stakeholders for value co-creation, including communities and suppliers and so on. Based on three important elements of corporate culture of this enterprise, the specific measures adopted by Starbucks is showed in Table 1.

Table 1: Starbucks’ specific measures for increasing human well-being

Related stakeholders	Specific implementations	Current results	Cultural elements
Employees	Improve employee diversity: By 2025, retail employees ² should be at least 40% are BIPOC (Black, Native, and colored) and 55% are female, manufacturing employees should be at least 40% are BIPOC and 30% are women, and at least 30% are BIPOC and 50% are women in senior management roles in the organization.	As of August 2022, 69% employees of Starbucks’ more than 400,000 employees are women and 47% are BIPOC, 51% of senior management are women and 19% are BIPOC, and 45% of board members are people of color and 36% are women.	Inclusive corporate culture
	Create a diverse hiring policy: Commit to hiring 5,000 U.S. veterans and military families annually, and recruit more than 10,000 refugees (worldwide) by the end of 2023.	In fiscal year 2020, Starbucks actually hired 5,221 U.S. veterans and military families and 2,620 refugees.	Inclusive corporate culture

¹ Any discrimination against LGBTQIA (lesbian, gay, bisexual, transgender, suspicious, asexual) is prohibited.

² Starbucks calls its employees “Partners” and its waiters/waitresses “Barista” to show respect for its employees and highlight the equal relationship. As a matter of style, this article uses employees rather than partners to avoid ambiguity.

	Conduct anti-bias training. In order to improve the understanding of inclusion, diversity and equity, Starbucks has launched a 15-course anti-bias training program that is free and open to the public.	Enrollment in the training program grew from 5,688 to 54,740 in fiscal 2020, with 48.5% of Starbucks employees and 51.5% of non-Starbucks employees.	Fairness
	Pay attention to the physical and mental health of employees. In addition to continuing to provide health insurance, 100% tuition assistance, option incentives, paid maternity leave, and child and adult backup care to full-time and part-time U.S. employees who work more than 20 hours per week.	Starbucks expanded its mental health program in fiscal 2020, giving its U.S. employees 20 free sessions. The plan is to expand to the Asia-Pacific region in 2021.	Value co-creation orientation
Consumers	Open stores for special groups.	In fiscal 2021, Starbucks added 17 stores in the United States, where it has traditionally served less developed and culturally diverse communities, hiring the vast majority of its staff from within the community. In Asia opened three focused on improving children's education, youth entrepreneurship and coffee farmers economic condition of community stores, opened to the deaf and the other with hearing disability community stores provide employment opportunity.	Inclusive corporate culture Fairness
Local communities	Donation for local communities for helping vulnerable groups. In partnership with Feeding America ³ to launch the Starbucks Food Share Program in 2016, all Starbucks U.S. stores will be required to donate quality unsold food, such as pastries, sandwiches and salads, to food banks and mobile pantries.	In 2021, Starbucks donated a total of 8.9 million meals and donated \$1 million to build mobile pantries for the poor.	Inclusive corporate culture Value co-creation
	Fund online college education	As of fiscal year 2021, 4,500 Starbucks autonomous students had graduated with bachelor's degrees from ASU, with 14,000 students enrolled, 20 percent of whom were first-generation college students in their families.	Value co-creation
Suppliers	Support specific supplier development. The Starbucks Supplier Diversity and Inclusion Program is designed to help select suppliers grow and operate by identifying them as U.S. and Canadian residents who are ethnic minorities, LGBTQ residents, military veterans, and have at least 51% ownership of the supplier.	Starbucks has purchased nearly \$8 billion of coffee beans and other raw materials from selected suppliers since 2000, more than \$600 million in fiscal 2020 alone.	Inclusive corporate culture

Source: Starbucks, 2007-2021

From Table 1, Starbucks is committed to creating more human well-being, not only for its employees, but also for other communities, such as suppliers, consumers and local communities. Moreover, these measures and implementing results are related with the corporate cultural elements: inclusive

³ Feeding America is the largest hunger relief charity in the United States. Feeding America accepts food donations and provides free meals to poor Americans through more than 200 food banks and more than 60,000 food pantries. Feeding America estimates that about 38 million Americans were underfed in 2020, including about 13 million children. The number of Americans in need of food aid rose to 42 million in 2021.

culture, fairness and value co-creation orientation (Gozdan & Sudolska, 2019). In addition, In addition to the usual steps outlined above, to help its employees and other partners cope with the pandemic, Starbucks announced a 10% to 11% pay raise for its employees in fiscal 2020, donated \$27 million to fight COVID-19 through the Starbucks Foundation, established in 1997, investing \$100 million to help Chicago's BIPOC community suffered from COVID-19 pandemic and more than 11000 staffs have benefited from this foundation (Starbucks, 2007, 2019, 2020, 2021). From the actions of Starbucks in the COVID-19 pandemic period, it can be seen the company has formed a mature social responsibility feedback situation.

4.2.2 Practice green development within attention to environment

The value chain of Starbucks covers the planting and processing of coffee beans, the procurement and transportation of coffee, the opening and operation of stores, and the production and service of coffee (Starbucks, 2020). These include the use of land, water and building materials, emissions of greenhouse gases and the distracting for wastes of packaging (Gozdan & Sudolska, 2019). Starbucks is committed to the environmental vision: to give more to the earth than to take from the earth, and strive to make positive contributions to the resources and environment (Starbucks, 2018). Starbucks knows that its own efforts are not enough, and must work together to achieve this vision.

In January 2020, there was a long term vision and plan for future 10 years' ecological development till 2030: to reduce CO₂ emissions in range 1⁴, 2⁵, and 3⁶ by 50% compared to the base year (fiscal year 2019); the direct using water in Starbucks' daily operation needs to be lower 50% compared within 2019; waste is 50% lower than the year of 2019 (Starbucks, 2019, 2020). These three aspects include carbon emission, water using and wastes, and Starbucks gives the clear, quantitative indicators for purposes, which is based on scientific goals (SBTi). For the further result, they all serve to the goal of reducing global temperature of 1.5°C (Starbucks, 2020).

In order to achieve the three halving goals by 2030, after scientific research and extensive market investigation and testing, Starbucks has formulated five strategies: to expand the menu choices based on plants⁷, stop the use of disposable packaging to use reusable packaging, to invest in the renewable

⁴ Range 1 emissions: Direct emissions

⁵ Range 2 emissions: Indirect emissions based on market and indirect emissions based on location

⁶ Range 3 emissions: Indirect emissions: purchases of products and services, fuel - and energy-related activities, upstream transport and distribution, etc.

⁷ To reduce greenhouse gas emissions from the use of milk and Meat, Starbucks replaced milk with oat milk in Canada, China and the U.S. in fiscal 2020, and replaced animal Meat with plant-based Meat from Beyond Meat and vegetarian Meat from Impossible Foods in sandwiches.

agricultural supply chain, keeping forest conservation, investment in better effect of the waste disposal project and so on (Starbucks, 2016, 2017, 2018). In fiscal 2019 and 2020, 11% of the three vision targets have been achieved for halving carbon dioxide emissions, 4% for water use and 12% for waste (Starbucks, 2019, 2020).

Starbucks launches anti-plastic campaign. The use of plastic coffee cups and straws has brought serious environmental problems (Carrasco-Monteaquedo & Buendía-Martínez, 2013). Starbucks is trying to phase out single-use paper and plastic cups within three years (2023-2025) and instead offer reusable cups to customers. The move is the latest effort by the company to meet its own targets for reducing waste by 2030 and address customers' sustainability concerns. Starbucks aims to have more people bring their own cups by 2025 or participate in A program called “Borrow A Cup”, under which customers can drink Starbucks drinks in reusable cups they borrow from the store, return them when they have done, and the cups will be cleaned and used again (Starbucks, 2020, 2021). Moreover, similar campaigns are not in the U.S. but also in Asia-Pacific regions, for example, in April 2021, the organization replaces plastic straws used for cold drinks in Starbucks' 850+ stores in Shanghai (Starbucks, 2021).

Starbucks promotes renewable energy. Investing in green energy is one way Starbucks is supporting sustainable coffee, and the company has been the No. 1 buyer of renewable electricity in the Green Energy Partner Retail Top 30 published by the U.S. Environmental Protection Agency (Gozdan & Sudolska, 2019). With its continued investment in photovoltaics, Starbucks aims to generate 100 percent of its global store power from clean energy (Gozdan & Sudolska, 2019). For example, hundreds of Starbucks locations in Texas will be powered by Cypress Creek's two 10MW PV projects in Wharton and Blossom. In addition, Starbucks will separately invest in Cypress Creek's six PV projects in Texas, roughly equivalent to 50MW of installed capacity. The eight projects could reduce carbon emissions by 101,000 tons a year, equivalent to planting 2.5 million trees (Starbucks, 2020).

4.2.3 Building strategic alliances with coffee growers for value co-creation

The coffee supply chain of Starbucks contains various links like planting, terminal consumption and delivery, during this process of coffee seeds to cups of coffee, there are coffee growers, cooperatives, dealers of all levels and sizes, etc., which involves a variety of risks (Starbucks, 2013). The environmental risks of coffee farming contain overuse of insecticides, soil contamination, water damage, and social risks contain using children as workers, forced working, limited insurances about

worker's safety, and lower wages compared with regional minimum wage standards (Starbucks, 2015). In addition, coffee middlemen have bargaining advantages, and their involvement can exploit smallholder farmers, leaving them struggling on the edge of poverty with a disproportionate amount of what they pay. Addressing these issues is critical to creating shared value. To that end, Starbucks in supply chain management as an opportunity, is committed to working with stakeholders such as suppliers, coffee farmers to establish a solidarity and sustainable development of coffee alliance (Wang, Dargusch & Hill, 2022), especially for strict enforcement of both to safeguard the rights and interests of coffee farmers and workers, and accord with environmental protection standards responsible coffee procurement, to ensure the sustainable development of the coffee industry has a future.

As the dominate leader of the whole value chain in the world, Starbucks has the power to squeeze surplus value of coffee growers, and the latter ones do not have other choices rather than obeying. Instead, it adheres to the concept of shared value creation and tries its best to care about the benefits of coffee growers from their labor in the global value chain, especially coffee growers in less developed countries (Wang, Dargusch & Hill, 2022). Starbucks also enables coffee growers through technical training, financial inclusion and other ways to improve the production efficiency and benefit of coffee beans, and encourages coffee growers to improve the quality of coffee beans through the purchase policy of high quality and high price. In turn, the improvement of coffee bean quality also benefits Starbucks. This mutually beneficial shared value creation model is highly praised by coffee suppliers and farmers, which not only wins a good social reputation for Starbucks, but also makes the bond between Starbucks and suppliers and farmers closer, which further strengthens the foundation of Starbucks' coffee alliance.

Firstly, Starbucks practices ethical purchasing. In 2004, Starbucks and Conservation International get together to publish Coffee and Farmer Equity Practices (C.A.F.E.), which shows Starbucks' responsibility for the whole industry ⁸. Moreover, it also reflects that the whole coffee industry has strong trust for the enterprise. SCS Global Services, a third party authoritative environmental and sustainable development certification agency, is engaged to conduct independent verification and certification. C.A.F.E. is regulated in four main areas (Wang, Dargusch & Hill, 2022). The first area is economic transparency standards, where coffee suppliers must provide proof of payment for their coffee beans, including direct payments to coffee growers, so that Starbucks can know which

⁸ C.A.F.E. later extended to tea and cocoa purchases, where Starbucks promised that 100% of tea and cocoa purchases must be C.A.F.E. compliant.

growers the beans come from and whether the price is fair. Second area as the social responsibility standard, coffee farmers must protect their rights to hire workers, including safety and humane working environment, fair wages, benefits, reasonable working hours, the appropriate labor insurance supplies. Moreover, it is necessary to ensure opportunity to enjoy health care and education, regular and temporary workers shall not be lower than the level of wages or the local legal minimum wage level, it is forbidden to employ child labor (Gozdan & Sudolska, 2019). The third area is environmental leading standards, which advocate sustainable coffee growing and processing methods that save water, improve soil, conserve biodiversity, reduce pesticide use and save energy consumption, and adopt a zero-tolerance attitude towards the conversion of natural forest land into coffee growing areas and the illegal use of pesticides (Wang, Dargusch & Hill, 2022). The fourth area is quality standards. All coffee must meet high quality standards. Starbucks only purchases, roasts and sells the highest quality Arabica bean coffee and is willing to pay a premium higher than the market price to support the profitability of coffee growers. In addition, Starbucks will pay additional incentives to supply chain stakeholders with the best performance. In order to implement C.A.F.E., Starbucks is committed to 100% ethical sourcing and only sourcing those certified by SCS Global Services to comply with C.A.F.E. (Wang, Dargusch & Hill, 2022). In fiscal year 2020-2021, Starbucks made up 98.6% of its ethical purchases (Starbucks, 2021). The reason why it did not meet its commitment to 100% ethical purchases was because SCS Global Services was unable to personally conduct on-site inspections at all coffee growers due to the COVID-19 pandemic (Starbucks, 2021).

Secondly, Starbucks donates high-quality coffee trees. High-quality coffee needs high-quality coffee trees, which can not only increase the yield of coffee beans, improve the quality of coffee beans, bring more economic income for farmers, but also reduce insect pests, reduce the use of pesticides, and bring positive impact on the improvement of the ecological environment (Richey & Ponte, 2021). Over the years, Starbucks has funded agronomists and established an agronomic research and development center in Costa Rica to cultivate high-quality coffee plants (Dietz et al, 2020). By 2025, it plans to donate 100 million high-quality, high-yielding coffee plants that are resistant to rust (a coffee disease caused by climate change) to coffee growers around the world for free (Starbucks, 2020). As part of the initiative, Starbucks donated 10 million coffee trees to coffee growers in Mexico, Guatemala and El Salvador in fiscal 2020, bringing the total donation to 50 million by the end of fiscal 2020 (Starbucks, 2021).

Thirdly, Starbucks provides free agronomic training. Starbucks has launched an “Open Source Agronomy” initiative that has set up nine coffee farmer support centers in Rwanda, Brazil, China and so on. This plan intends to help more than 200,000 coffee growers in the global cooperators of Starbucks till 2025 (Starbucks, 2021). In fiscal 2020, 40,000 coffee farmers participated in agronomic training that helps improve the efficiency and profitability of coffee farming, despite the impact of the COVID-19 pandemic, and this number rose to 68,000 in 2021 (Starbucks, 2020, 2021). More important, it does not mean the volume, but more in high quality products. C.A.F.E. Practices require coffee growers must reach the high requirements from Starbucks, reflecting on product quality, the economic functions, society ethical issues and green development four aspects. For coffee farmers, this means not only changing the way they grow, but also making radical changes in everything from fertilizing, dewording, coffee processing, to draining water.

Fourth, Starbucks provides financial inclusion support to poor coffee farmers. Starbucks provides all-round education and financial compensation to coffee growers in poor areas. For example, the partners of Starbucks Yunnan Growers Support Center work with coffee farmers to solve their problems in every step, from growing coffee to picking, processing, cupping and purchasing. Based on the principle of paying higher price for higher quality products, Starbucks keeps 20%-30% higher purchasing price compared within the market price when buying coffee beans, but also gives extra rewards to high-quality coffee beans that meet or even exceed Starbucks’ procurement standards, which greatly enhances the enthusiasm of coffee farmers to grow high-quality coffee (Starbucks, 2016-2020). Today, the pass rate of coffee beans purchased has risen significantly from 20-30% in 2011 to more than 80% now. It is worth noting that the financial inclusion support Starbucks provides to coffee farmers is financed in part by issuing green bonds. In May 2016, Starbucks issued a \$500 million 10-year green bond with an interest rate of 2.45%, the first sustainability bond in the United States, to qualify for the C.A.F.E. (Starbucks, 2016). Sustainalytics, the leading ESG research and rating agency Sustainalytics, has been engaged to provide professional advice on the green bond.

Fifthly, Starbucks establish a two-way interaction mechanism. In order to enhance the mutual understanding between customers and coffee growers, Starbucks uses high tech tracking system for coffee beans of every cup of coffee, which is to give an ID card to coffee beans, which is also building the bridge of coffee growers and consumers. Through the digital tracking tool, if consumers want to gain information about raw materials, they can have detailed data and know the situation and story of the coffee growers. Through the digital traceability tool, the coffee growers can know which Starbucks store in the world their hard-worked coffee beans are finally sold to. Starbucks has also

sponsored some customers to visit coffee growers around the world to experience the arduous process of growing green coffee.

4.3 Discussion

To sum up, the enterprise gather data and make analysis in terms of three aspects about what kinds of social responsibility it takes: increasing human well-being, protecting environment and strategic alliance within coffee farmers in poor regions. In these three aspects, Starbucks' moral constraint on its own behavior is not only the purpose and business philosophy of the company, but also a set of management and evaluation system used by the company to constrain its internal production and operation behavior. This ethical restraint and management evaluation system is based on the corporate culture of Starbucks.

In the discussion, it should be made clear that the report related to Starbucks' social responsibility separately analyzes and studies the corporate governance issues in environmental and social aspects, but this does not mean that the company has ignored the issue of social responsibility governance. According to the actual implementation and the setting of relevant standards, Starbucks attaches great importance to social responsibility issues and has incorporated them into the decision-making process of the board of directors. In the annual statement of the board of Directors, the work on social responsibility and environmental issues and the results achieved were also mentioned. More importantly, Starbucks has integrated its development with the 2030 Agenda for global Sustainable Development of the United Nations, so as to determine its development goals and take formation measures.

Aspects of human well-being that are directly related to the United Nations Sustainable Development Goals include SDG#1 (no poverty), SDG#2 (zero hunger), SDG#3 (good health and well-being), SDG#4 (quality education), SDG#5 (gender equality), SDG#8 (decent work and economic growth), SDG#10 (reducing inequality), SDG#11 (Sustainable Cities and Communities), Environmental aspects of the planet that are directly related to the United Nations Sustainable Development Goals include SD#7 (Affordable Clean energy), SD#13 (climate action), SD#15 (Life on Land), The coffee Alliance's direct counterparts to the United Nations Sustainable Development Goals include SD#9 (Industries, Innovation and Infrastructure), SD#12 (Responsible consumption and production), SD#13 (Climate Action) and SD#17 (Partnerships to achieve Goals).

For employees, an important stakeholder of Starbucks' development, according to findings in Table 1, the firm views diverse staff development as a significant part of the successful development. Appealing, developing and training an inclusive international labor power is a strategic priority for Starbucks. There are mechanisms in place to promote women and minority managers, including mentoring programs, team diversity training (including leadership development training), and the CEO and senior management team regularly review team diversity metrics. In Table 1, it is explicit that inclusive corporate culture makes positive results in the social responsibility taking. Fairness of corporate culture also brings good working situation for employees, and they will be respected in the organization. Value co-creation between the organization and employees is reflected that when the a variety of training channels and training resources, which allows enterprises and employees to progress together.

The second important stakeholder is consumers, inclusive corporate culture ensures the location of Starbucks considering areas with a relatively high concentration of minority groups and the recruitment of more minority groups will not only be fair to employees, but also provide consumers with a more comfortable environment. Moreover, this action also shows that Starbucks regard different consumers fairly, which is also reflecting the fairness principle. In addition, in the COVID-19 pandemic, Starbucks gives more value to consumers, and consumers feedback for related stable marketing performance for the organization, it is also show the co-creation value between Starbucks and consumers.

For shareholders, although in the long run, increasing social input to employees, suppliers, coffee growers, communities and other stakeholders will help enhance the sustainable development ability of Starbucks and is beneficial to shareholders, in the short term, social input in this regard will undoubtedly crowd out the economic value creation of shareholders. Based on the pyramid of social responsibility, Starbucks has reached the highest level of charity responsibility and combines its own development within the whole society's development. In order to live up to such values and insist on shared value creation, it becomes important to seek the understanding and support of shareholders.

As the analysis in literature review, it is naturally to increase costs for operation based on high level legal issues, ethical issues and charities in short term, and shareholders of the company usually feel suffering. Yet, Starbucks adopts positive dividend policy to make stakeholders of the company support this high level social responsibility implementation principles. From one side, it shows that Starbucks is a listed company responsible to shareholders. Starbucks' return to shareholders is far

greater than their investment in Starbucks, which is perhaps the most fundamental reason why Starbucks' board and senior management can persuade and obtain shareholder support for shared value creation. In other words, a prerequisite for shared value creation is to "make the cake" rather than "divide the cake". As long as the cake is made bigger, even if the share of shareholders is reduced, but the share of the cake is increased, there is no reason for shareholders not to support shared value creation (Kolk & Van Tulder, 2010). For a service-oriented company like Starbucks, the contribution of employees and the support of customers, suppliers and coffee growers play as much a role in value creation as the investment of shareholders. Focusing on the interests of allies and stimulating their enthusiasm to participate in Starbucks' value creation will also benefit shareholders in the long run.

Fourthly, for the cooperation within suppliers, the inclusive corporate culture provide supporting for LGBTQ residents, military veterans, and have at least 51% ownership of the supplier, and it is also show the fairness for different suppliers. Based on its strategic alliance within coffee farmers in poor areas, it is the reflection for value co-creation between the organization and coffee farmers because the increasing of coffee quality of Starbucks is from coffee farmers' more professional works, and the guidance and capital supporting are from Starbucks.

Fifth, Starbucks' environmental awareness is not only on the paper of its corporate vision, but also incorporated environmental indicators into the performance appraisal of senior executives and ordinary employees. The stores that have made contributions to energy saving will be commended, and the management staff will be given promotion opportunities. This is more practical than sloganizing. Without such awareness of environmental protection, the creation of shared value cannot be taken into account for daily operation of Starbucks. In fact, the environmental strategy reflects Starbucks' value co-creation principle in corporate culture, and this organization intends to ensure the long term co-development within communities and environment.

It is key to transfer the energy saving awareness to the practice, and this is also the most difficult point for many enterprises cannot achieve. What Starbucks done is reflected in two aspects. For one thing, the enterprise has embody the notion into corporate culture that can reduce or eliminate the impact of adverse situations on enterprises and avoid the damage to the interests of enterprise. When employees are recruited in Starbucks, when coffee growers and other suppliers cooperate with the brand for the first day, they are educated about this notion. For another, it is more important to make enterprise behaviors in other fields corresponding to environmental protected principles. If Starbucks,

which uses a lot of electricity in its offices, it has a hard time keeping its employees motivated to save energy and reduce emissions at work. Just because the energy saving and emission reduction of Starbucks is omnidirectional, it is able to make stakeholders turn their environmental awareness into actions.

As the social member of the social network, the relationship among Starbucks and other stakeholders is developed on the foundation of demands: the demands of Starbucks to others and what stakeholders want to gain from the enterprise (Waddock & Smith, 2000). How to keep balance of these demands is the core task of Starbucks' corporate social responsibility behaviour. By actively fulfilling social responsibilities, enterprises can meet the demands of stakeholders and obtain resources from stakeholders, thus promoting the achievement of sustainable development goals of enterprises. This is consistent with the research results of Jiang and Tian (2015) and Jia et al. (2016), the close cooperative relationship with stakeholders is not only conducive to the absorption of explicit knowledge, but also conducive to the dissemination of tacit knowledge between the two parties, and the acquisition and accumulation of tacit knowledge can promote the development of innovation ability. Stakeholders provide enterprises with more diversified innovative ideas and countermeasures, such as user value co-creation. On the other hand, enterprises that occupy a good position in the social network have a higher ability to control external innovation resources. Carrasco and Buendia (2013) points out that for this kind of implementation of corporate social responsibility mechanism, corporate culture plays an important role.

Chapter 5 Conclusion and recommendations

5.1 Conclusion

Based on the secondary data analysis from Starbucks related files about sustainable development and corporate social responsibility, Starbucks has excellent economic, social and environmental values, as well as excellent corporate culture, corporate reputation and corporate vitality. In this case

analysis, Starbucks' corporate culture has three important elements: inclusive culture, fairness and co-creation for values among stakeholders. Starbucks' case achieves the balanced between shareholders' profit demands and social responsibility undertaking, it is not a zero-sum relationship between these two parts but a win-win one. In the context of the increasingly popular theory of sustainable development, the guidance of Starbucks' corporate culture on management and corporate social responsibility is worth learning from other enterprises.

According to the case analysis framework of this paper, the corporate culture of Starbucks includes inclusiveness, which reflects that the corporate culture has the contents of sharing benefits and caring about stakeholders. This corporate culture helps the implementation of the social responsibility system within the enterprise, and improves the awareness of the whole enterprise and the team to undertake social responsibility, so as to achieve common development, and make it more competitive, so as to ensure sustainable development. Represented by Schultz, for coffee farmers and their employees to hire workers welfare concerns, by "a person, a cup of coffee, a community" vision, to build caring staff, service customers, giving back to the community and contribution to the enterprise culture of the society, reflects the noble humanistic feelings. Inclusive corporate culture contains a humanistic culture, a culture of professional ethics, a culture of diversity, and a culture of health and safety. This includes the responsibility for employees, treating them with kindness, respect, and development when employees work in safe, comfortable and respected workplace. It has promoted the development and growth of employees, contributed to forming a united team in management generation, created abundant talent reserve of the enterprise's future development, and improved the ability and loyalty of employees. On this basis, Starbucks continues to introduce products and services that meet or even exceed customer requirements, which promotes innovation, promotes the improvement of Starbucks' business performance, which further ensures Starbucks' sustainable development.

Through a series of charity behaviors within communities, the company has assumed the social responsibility to the local community, the responsibility to customers and suppliers, and the company has assumed the community responsibility to improve the relationship between the company and the community, winning a good reputation and the support of the community. Thus conducive to the enterprise in the local foothold and long-term development. Engaging in public welfare and charitable undertakings will help promote the transparency of enterprise and increase enterprise's reputation, so the enterprise can get consumers, suppliers and other stakeholders' trust, which will

further help reduce crises and costs, thereby helping enterprises to achieve sustainable competitive advantage and sustainable development.

The corporate culture of Starbucks includes inclusive culture, equality and value co-creation, which aim to solve various social problems in the operation of business model, create social value, and finally realize the creation of shared value between enterprises and society. In terms of value creation, on the basis of embedding of corporate social responsibility, Starbucks creates business value while continuously creating social value, and the embedding of corporate social responsibility to formulate a strong competitive advantage for the company. This can be seen in the high quality of Starbucks employees and positive market performance. In addition, Starbucks has cooperated with all members of the social responsibility ecosystem to build a co-governance pattern of social problems with extensive participation of multiple social subjects and effective integration of complementary resources, so as to solve various social problems in the process of business development and create social value.

In addition, on the basis of the original customer relationship and supplier channels, Starbucks transmits its own value proposition and social responsibility concept to the public through the embedding of corporate social responsibility, satisfies customers' interests and demands, and performs responsibility management for them. At the same time, the promotion and publicity of the platform can be realized in an invisible way. These social responsibility system landing actually can bring value return. Although the embedding of corporate social responsibility will not increase the revenue source of Starbucks, it can bring positive publicity effect for Starbucks and open up the growth space for Starbucks morally. To stabilize old users and attract new users, expand the scale of users and merchants, and enhance user stickiness. Although corporate social responsibility embedded cost increase will make Starbucks a vital link, namely the social responsibility implementation cost of the plan, but on the whole, platform user scale growth will bring enterprise marginal cost is reduced, and in the long run, corporate social responsibility embedded the recessive earnings will be far higher than the cost of its implementation, Therefore, the embedding of corporate social responsibility enables Starbucks to create social value and effectively promote its own commercial value.

5.2 Recommendations

Having good corporate culture and the purpose of social responsibility is not difficult for a company to form, but the difficulty is how to ensure the practice for these notions, which needs suitable

system supporting. Thus, there are two main recommendations based on Starbucks' successful experiences to other companies.

On the one hand, enterprises need to pay attention to the economy, society and environment at the same time, and devote themselves to the creation of shared value that takes into account the interests of shareholders, social contribution and environmental protection. In addition, the financial dividend distribution and share repurchase policies of Starbucks maximize the interests of shareholders. Starbucks' return to shareholders is far greater than their investment in Starbucks, which is perhaps the most fundamental reason why Starbucks' board and senior management can persuade and obtain shareholder support for shared value creation. Therefore, paying attention to the interests of its Allies and stimulating their enthusiasm to participate in Starbucks' value creation will also benefit shareholders in the long run. While pursuing the maximization of shareholders' profits, enterprises should also take into account the strategic behavior of the interests of other stakeholders. Traditional corporate social responsibility requires enterprises only pay attention to shareholders' interests, and strategic corporate social responsibility requires enterprises to give full consideration to the interests of all parties concerned, establish a good relationship with stakeholders, the relationship itself is a kind of competitive advantage, not only can improve enterprise social image, there is conducive to the growth of enterprise financial and market performance. At the same time, the close and trusting relationship with stakeholders can promote the communication and cooperation between enterprises and stakeholders, and improve the ability of enterprises to adapt to the dynamic environment.

On the other hand, the undertaking of corporate social responsibility requires not only conscious actions, but also monitoring mechanisms, especially when it involves investment and effectiveness in environmental protection. In the absence of independent oversight mechanisms, low-carbon transition and green development are often reduced to public relation stunts and even greenwashing. Starbucks has been impressive in bringing in outside oversight. From social welfare projects to environmental protection projects (such as the Greener Stores Program and C.A.F.E.), Starbucks makes every effort to hire well-known international public welfare organizations and authoritative environmental certification agencies to participate in the independent verification and certification. Moreover, in the absence of any mandatory requirements, Starbucks hired the accounting firm Moss Adams to independently verify data relating to the ethical sourcing of coffee, tea and cocoa in the Global Environmental and Social Impact Report and the Global Coffee Farmers Fund. The hiring of Burns McDonnell, an engineering firm, to independently verify data on its greenhouse gas emissions has greatly enhanced the credibility of its Global Environmental and Social Impact Report. Therefore,

seeking the supervision and disclosure of an authoritative third party is an important means, which is not only beneficial to the internal enterprise, but also helps to improve the external reputation of the enterprise.

5.3 Research limitations and prospect

There are two main limitations of this case study. For one thing, this case study has the inevitable limitation of single, which may have certain limitations in external applicability. While on the sample selection, Starbucks is a transnational enterprise, is leading the world in terms of sustainable development and social responsibility, Starbucks has abundant case details and it is also typical example for deep investigation, but after all samples is limited, how sustainable development is achieved by undertaking social responsibility needs to be tested in other organizations within different kinds of corporate culture and in different industries. In the future, the researcher can adopt multiple cases to compare similarities and differences among different typical cases to have more common conclusions. Secondly, this research adopts qualitative research, although the data more informative, but the theoretical analysis, unavoidably be subjective in the future research can increase the interview and questionnaire, through the enterprise senior leaders, employees, customers and suppliers and dealing with in-depth interviews and coding, and questionnaire survey to quantitative understanding of the strategy of sustainable development, the impact of social responsibility on stakeholders and the sustainable development of enterprises.

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