

An Analysis of Strategies Adopted by MNCs - 'STARBUCKS' to Promote Employee Retention in Oman

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ABSTRACT

Retaining employees has become very important in today's world. Companies nowadays prefer retaining employees than hiring new employees because it is cheaper, and the previous employees are more reliable. However, employees often tend to shift workplaces when getting a better salary and job. This study aims at analyzing strategies that are adopted by Starbucks, a Multinational Corporation. The study will be conducted on the branch of Starbucks in Oman. A strong literature review is written with the help of existing literature in this topic. Journal articles, websites, and books are used as sources to get secondary information for this study.

Objectives

The objectives of this study are:

- To learn the staffing and recruiting activities of the MNCs in Oman.
- To evaluate the strategies followed by MNCs to adopt employee retention in Oman.
- To design organizational strategies which can aid in the promotion of employee retention.

Methodology

The study is completed using desk research that is secondary sources mainly. Some parts of the assignment also contain individual's personal experiences as the consumers of MNCs in Oman. The secondary sources that are used in completion of this assignment are:

- Books
- Websites
- Journal Articles
- News Papers

Discussion

Staffing Activities – Starbucks

The selecting & recruiting is a process done to form groups with people that are qualified for the jobs that they apply for. Phillips (2020), states that the managers choose the right person from a group of applicants. The right person will have a higher success rate in interviews and can get job easily. They can focus on the objectives of the management and is faithful to the legalities of the company.

Starbucks employees must exhibit characteristics and abilities that will aid them in carrying out their duties. As a result, Starbucks personnel are likely to be defined by their attention to detail, commitment to providing incomparable customer service, ability to work in a fast-paced environment, and availability of efficient resources. Strong organizational fit is essential in relation to best practices in human resource management. The first stage is to define the work and its standards for the individual so that they can acquire the necessary abilities and attributes.

The choice must also be in line with the company's strategic objectives.

- Since the job standards aren't thorough, and certain qualities are influenced by the presence of a Starbucks branch in a particular location, such as the Starbucks store in London, the employee must be an English language professional, and a CV and interview are arranged. Because the interview allows the manager to learn about the candidates' personal traits and characteristics, Starbucks managers will be able to rapidly pick applicants based on their essential talents and qualities.
- The questions that are asked in the interview are the candidates being asked to describe their retail experiences. This has to do with technical questions that focus on customer experience and issues related to food safety and how to deal with this aspect to ensure that the candidate is able to provide a professional customer experience For clients and from an organizational perspective, managers make sure that the interviewer does not distinguish any potential applications at any stage of the selection and recruitment process, so questions are asked that are consistent with all applications and are not related to race, age or gender , Therefore, Starbucks focuses on the recruitment process, where applications must be made, give potential opportunities in order to ask special questions and ensure that candidates are able to fulfill the nature of the role assigned to them and adhere to it.

Table 1. Employee requirements of Starbucks

Requirement	
Qualifications / Education / Training	Starbucks does not require its applicants to have any basic qualifications, but the applicant must have a certificate in food safety and food hygiene.
Experience	The applicant must be well experienced in the areas of customer service, retailing, and food handling.
Knowledge	The applicant must have adequate information in the types of coffee and its several varieties, the manufacturing method, and in retailing.
Skills & Competencies	The skills and competencies asked by the company in the job are the ability to work in a high-pressure environment. The applicant must be able to handle the work pressure well. The applicant must exhibit customer-dealing skills, and needs to master the customer service skills, and coffee making skills the right way without any mistakes.
Personal Attributes	The personal characteristics of Starbucks employees should be sociable and must be keen in providing professional and exceptional service to their customers, dealing with persistence as well as positivity, effective in communication with customers, and should have the ability to face challenges and solve problems with flexibility.
Other	Providing distinguished and professional services at work, coffee makers, presentation arts and initiatives in promoting the brand.

Role of Organizational Strategies in Promoting Employee Retention

Companies choose various strategies in their organization to promote retention. The HR managers believe it's easier to retain employees than go on looking for new employees. Every organization chooses retaining employees rather than hiring new ones as it is cost effective and time saving. Some of the strategies are:

- Engage employees, which entails developing groups of employees to get them to collaborate and support one another. Employee involvement aids in the development of employees' talents since they will learn and gain skills from one another (Achievers, 2021).
- Rewarding the best employees with bonuses will encourage them to produce more and put in solid work year after year. Rewarding the excellent employees will assist in identifying good employees since good employees will work hard to receive incentives and advance in their careers.
- Creating the ideal work atmosphere will improve the employees' job experiences, particularly when they learn and gain skills from specialists. This way it will aid in the acceleration of the work cycle.
- Providing training opportunities and programs that assist workers learn the skills they need and must have in their employment and work environments, since these possibilities enable them to be more productive and secure in their positions. (Half, 2022).
- Making work arrangements that are basic and quick, such as completing transactions and meeting deadlines, to provide flexibility in the workplace. This approach will aid employees in gaining a good standing, and consequently, they will likely stay.
- Including incentives in the job will motivate employees to perform more as they will feel that they are compensated enough for their efforts. Perks aid in the management of an employee's wage requirements for their position.

Role of Organizational Strategies of Starbucks in Promoting Employee Retention

Starbucks' organizational strategies as stated by Takalpati (2016), for promoting employee retention are Offers benefits, respects workers, Takes care of health and safety of employees, offers bonus pay, gives equal opportunities for employees, and appraises the employees. These strategies are described briefly as:

- Hires the right people: Starbucks ensures to hire the right people so that they will stay. The company has created a strong HR management team to ensure that the right applicants are chosen to work under the company. By doing so Starbucks has gained a high employee retention rate.
- Offers benefits: Starbucks offers many benefits to its employees to make them stay longer. Mr. Howard D. Schultz the CEO of Starbucks gives more priority to taking care of the employees. The company provides its employees with vacations, insurance, and other basic needs. These aids the employees in various ways and makes them happy.
- Respects Workers: At Starbucks, employees are always treated with respect regardless of any problems. The process of respect pyramid is implemented by the founder of the company. Respecting the workers will give them a sense of appreciation for which they urge to stay longer in the company.
- Health & Safety: The HR Department of Starbucks oversees interpreting federal safety standards like OSHA and WISHA into practice. They assess the company's safety requirements and give appropriate training. HR will investigate any safety incidents or injuries and notify the appropriate authorities, as well as assist in the development of solutions. The company cares about its employees, which will make many employees stay.
- Bonus Pay: Starbucks pays bonuses to the employees based on the profitability of stores and the teams' overall performances. Giving bonuses to the employees motivates them and makes them stay and work well for the company. Doing so the company can retain more employees.
- Equal Opportunity for all Employees: The company Starbucks sees its employees equally. The company is very strict against discrimination and doesn't allow any kind of discrimination to take place in the company. By doing so Starbucks has not only gained the respect of employees but also customers all around the world.

- Employee Appraisal: Performance management system is used by the supervisor to observe and value its employees. This will aid in the determination of the employees' performance, skills, behavior, and career advancement.

Limitations

The limitation of this study was that Starbucks is a Multi-National Corporation for which it was very difficult to reach the managers for interviews. Thus, collecting the data related to managerial level of the company was not possible.

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