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Starbucks leaders seek to build connections with service employees

Starbucks' ultimate goal is to build customer engagement, loyalty, and brand advocacy. The coffee giant is doing this and more by engaging frontline employees through corporate messaging, peer-to-peer recognition, and listening programs.

According to Joseph A. Michelli, author of *Leading the Starbucks Way*, Starbucks leaders know that the first step in building customer connections is to build connections and engagement with their frontline employees. They understand that "you have to focus on the people closest to you if you expect that it is going to move further away from you," Michelli says. "If the company was going to have a competitive advantage in the quick service sector, it was going to come through a more dynamic, engaged, vibrant, and aware customer service professional."

Starbucks' frontline customer service people were still going to be entry-level employees, as they are at many companies, and the company wasn't going to pay them more than service employees at similar companies, "so they needed to figure out how to do this in a cost-effective way," Michelli says, "and they did this in part by seeking ways to emotionally engage people in a more interesting 'why' — and not just the 'what' and 'how' of working at Starbucks. They understood that they had to sell employees on the opportunity to do more than just transact business. And they had to treat employees like they mattered more than just objects to transact business."

Building a frontline community

One of the ways in which Starbucks engages its frontline employees is by referring to them as "partners," rather than as employees. "Words matter," Michelli says, "and many leaders have moved away from the word 'employee' because it connotes a

power dynamic in the workplace." Other companies use terms like "associate" or "team member" to eliminate those connotations.

But Michelli warns that if you are going to use terms that suggest a greater association, affiliation, or even partnership between managers and frontline workers, there has to be some reality behind those words

to make them authentic. Starbucks goes as far as offering its partners stock options and providing tuition reimbursement, and that's not something that is likely to happen in a smaller business. "But there are ways to build those interconnections that aren't all financial," Michelli says. "There are ways to recognize team behavior and to build a customer service community where people can call each other out and celebrate

each other — to look for successes to repeat and failures to correct as a team."

Starbucks goes out of its way, for instance, to make funding and facilities available to employee groups within the organization as a way to encourage that sense of community — whether it's a bowling team, a photography club, or a community service group.

Recognition programs also help to build a sense of community and shared purpose. Research suggests that companies that effectively recognize excellence in their employees generally enjoy greater profits than companies that do a poor job of recognizing employees. And Starbucks goes out of its way to use a number of approaches to recognizing excellence in its partners.

Starbucks leaders ...

- View frontline employees as partners
- Encourage peer-to-peer recognition
- Support employee communities.



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Many of the reward programs involve nominations from peers or direct and immediate recognition by peers. "So rather than relying on managers or leaders to catch people who meet the criteria for recognition, the entire organization is mobilized to bring those acts of excellence to light," says Michelli. Starbucks also tries to balance individual and team recognition through its reward programs.

And in most cases the rewards involved are not of considerable monetary value. "Partners receive pins, handwritten notes, or certificates to acknowledge their achievement," says Michelli. "The emphasis is much less on prizes and much more on acknowledgment."

Learning to listen

"The first act of leadership," Michelli says, "is to listen. It's to listen to your people. And then, once you have heard what's going on in their hearts and minds, both in terms of improving the business and improving their lives, I think you will be much more effective as a leader."

Michelli adds that when he goes into service organizations in his role as a consultant, he will often ask, "What do you know about your employees? What are their interests? What are they like?" And he says, "I can almost tell you what their employee engagement scores are going to be based on how much managers can tell me about their people."

Starbucks formalizes the listening process via employee surveys and focus groups, but it also encourages listening at the level of the individual manager. In fact, Starbucks encourages those listening skills by putting all new employees at every level in the organization through what it calls an "immersion program," in which they spend several weeks working behind the counter at a Starbucks store, both learning the business and learning about frontline partners. It's an incredibly valuable introduc-

Teaching frontline employees to listen

While it's important for leaders to listen, it's also important for leaders to teach frontline employees to listen. One of the techniques that Starbucks uses to accomplish this, says *Leading the Starbucks Way* author Joseph A. Michelli, is "to put employees in the position to be a spotter of the customer service experience and then allowing them to provide ideas for improvement."

Essentially, you are asking the employee to take on the role of customer service expert, Michelli says, "asking the employee to walk the entire customer experience, from the outside of the building all the way through, and take notes on what he or she sees."

Basically you are saying to the employee, "I trust you to give me your input on how we are doing in terms of the customer experience — and to really be the eyes and ears of the customer. Let me know what you see, and I will respond to the issues that you see on the part of the customer."

And Michelli adds: "That is a pretty powerful way to move the responsibility for the customer experience around to everyone on your team. You make employees part of a journey where they will frequently have an opportunity to help make things better."

Of course, the manager has to make use of the frontline person's observations to make this process work. "If the manager gets the frontline partners comments and then does nothing, that kind of extinguishes it," Michelli says. "But if the manager says, 'Wow, what a great observation. I never would have seen that. Maybe we should rethink how we do that?' — then it becomes a strong engagement item."

tion to the nature of the business and the needs of frontline employees. "And when you think about it," says Michelli, "the driving engine of this business is when that cup of coffee is brewed by a barista and handed to a customer. And if you are too good to be in that space, you are probably too good — or too bad — to be in the service business."

Another approach that Starbucks uses is "listening tours" throughout the organization. The goal is to conduct informal meetings with frontline partners at various locations as a way to understand their thoughts, needs, and ideas — including ideas for improvement. But Michelli adds that while listening is important, taking swift action in terms of follow-up to respond to issues that come up during the "listening tour" is equally important.

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