



**TESTIMONY OF**

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**STARBUCKS COFFEE COMPANY**

**FOR THE HEARING ON**

**Hiring and Retaining Veterans for the Modern Day Workforce**

**BEFORE THE**

**U.S. HOUSE VETERANS' AFFAIRS SUBCOMMITTEE ON ECONOMIC OPPORTUNITY**

**JUNE 26, 2018**

**Introduction**

Good afternoon Chairman Arrington, Ranking Member O'Rourke, and Members of the Subcommittee. As a post 9/11 veteran, it is an honor to share with you how Starbucks Coffee Company is continuing to support active duty military, military spouses and veterans as they transition into Starbucks partners, the term we use for our employees. In particular, I will be discussing how we are working with a broad group of companies, public agencies, non-profits and veteran/military service organizations to create an effective transition experience and integration into civilian life. I am also pleased to offer some thoughts on continued innovations to our policies and programs that we believe are critical to improving this experience.

To give some personal context to my remarks, I spent 22 years in the Marine Corps between active and reserve service, as both a commissioned officer and an enlisted Marine. After deploying to Iraq in 2004 with Marine Corps Special Operations, I left active duty to become a firefighter in Southern California. During my time in public safety, I took advantage of the Post 9/11 GI Bill to earn my Master's degree in Strategic Planning from the University of Washington and an MBA from UCLA. Turning to the corporate world as the natural transition from this chapter, I was surprised to learn that, despite my advanced education and years of leadership and management experience in very challenging environments, I had a difficult time translating my value and experience for potential employers. If I had a hard time sparking interest, you can imagine the challenges other service members face when they speak with companies. Through the support and assistance of veterans in corporate America that were generous with their time and opening their networks, I was fortunate to land in a role where I can continue my career serving others in a company that cares tremendously about our military members, has the leadership and humility to incorporate an effective veteran hiring program into its culture, and is pushing others to join the movement.

## **Background**

In November 2013, Starbucks made a groundbreaking commitment to hire at least 10,000 veterans and military spouses in five years. I'm proud to say that we achieved that goal early, and in March 2017 set a new goal of hiring 25,000 by 2025, which we are quickly working towards. Throughout this process we have recognized

that serving our veterans and military spouses is about much more than simply providing jobs. Starbucks recognizes that the unique skills, experiences, and knowledge that veterans and military spouses gain through their service are tremendously valuable. Our goal, therefore, is not only to hire 25,000 veterans and military spouses, but also to create a work environment and corporate culture that fosters their personal and professional growth. A steady paycheck is important when shifting jobs, but veterans and their families are not just shifting jobs when they leave the service. They are leaving an environment where they had a clear sense of purpose and worked closely with others toward goals that were much bigger than themselves. I am proud to say that Starbucks provides that environment.

Driven by the passion and dedication that starts with our senior leadership and extends to the rest of our partners, Starbucks is committed to creating a workplace and culture where our military members and their spouses can succeed. In the past five years that we have focused on hiring veterans and military spouses, we have focused very closely on becoming a veteran employer of choice.

## **Innovations**

One of our early recognitions was the need to evaluate this population through a different lens based on their training and life experience. To this end, we shifted from a skills-based hiring model to a competency model when evaluating job candidates. While the job specific training received in the military may not be a direct match for our environment, we know that leadership, teamwork and other intangible skills are a great fit for Starbucks. Similarly, we know that the enthusiasm and dedication that military spouses bring to our stores creates a welcoming environment for our customers. Parallel to this, Starbucks has focused on preparing our field leaders to effectively lead veterans and military spouses through an understanding of the unique differences in culture, leadership expectations, and even language. One of the best ways we have found to achieve this are through immersions on military bases where our field leaders and partners get to see firsthand the natural teamwork that translates so well to our stores.

## **Benefits**

We have also listened to our partners and developed or improved several programs and policies that are unique to our military and veteran populations. For current reservists, we provide 80 hours of flexible leave to facilitate military participation. If Guard or Reserve partners are called to active duty, we pay the difference between their Starbucks wages and military wages for up to 78 weeks. Finally, our veteran partners can now gift their College Achievement Plan, which is a fully funded remote bachelor's degree at Arizona State University, to their spouse or child.

## **Culture**

We recognized the need to build an internal veteran cultural competence that not only understands and values veterans but is improved by infusing their values into the company's culture. For Starbucks, this started with the recognition that much of what has made the company incredibly successful parallels military values. A commitment to excellence, strong sense of ethical and moral principles, camaraderie, and empowerment of our partners are among the values that make Starbucks a special place to work and parallels what drives our military. The dedication to service that is second nature to our military members has unlocked a passion in all of our partners to be more engaged and involved in volunteer and community programs. Another internal cultural piece is the growth of our military affinity group, Armed Forces Network (AFN), which has 16 chapters throughout the country. The AFN provides a source of mentorship, camaraderie and connection for our veteran partners. It is also a forum and focal point for building our veteran cultural competence. In return, our veteran partners pay it forward by engaging in community volunteer activities and represent the best of Starbucks.

While these efforts have not been flawless, we continue to learn from our mistakes and drive forward to serve those who have so selflessly served our nation. In addressing the broader question about innovations in this space, we are currently focused on meeting the employment challenges faced by military spouses. With an unemployment rate that is currently four times the veteran population, we are partnering with Hiring Our Heroes, USAA and others to find lasting solutions. On our side, we

have specifically designed processes that assist our military spouses transfer their jobs to new Starbucks locations when the inevitable change of duty station orders arrive. We also have flexible leave policies for spouses that take into account the realities of deployments, moves and homecomings.

### **Community Partnerships**

Starbucks is increasing the opportunities for local communities to use our stores to engage with military members and their families, expand partnerships with veteran service organizations to offer relevant programming, and using our scale to create connections to bridge the military – civilian divide. Utilizing our 44 Military Family Stores, which are situated in communities near military installations, we are working with a range of our partners such as the USO, Blue Star Families, and Team RWB to provide needed transition programming and services such as resume counseling, interviewing skills and family cohesion counseling. A very successful example of this is Military Mondays, which was developed in conjunction with the William and Mary Law School, to provide free legal counseling to service members at our stores. Military Mondays is now scaling nationally and growing to include other critical services such as financial literacy training and investment counseling. Our stores are also a hub for organizing partner-driven community service projects in conjunction with the veteran groups The Mission Continues and Team Rubicon. Partnering with veteran services groups such as these provide veterans and spouses with opportunities to make connections in their new communities, as well as leverage their considerable skills for the greater good.

Moving forward, our ambition is to change what it means to support our troops. While being thanked for their service is appreciated, military members and their spouses want to be given the opportunity to demonstrate the incredible leadership, experience and talent that they bring to the workplace. We will continue driving and refining this effort through our policies, storytelling and partnerships. As our dedicated hiring program and veteran cultural competency matures, we are increasingly sharing our model and lessons learned with others. In addition, Starbucks is increasing the opportunities for local communities to use our stores to engage with military members

and their families, as well as expanding partnerships with veterans service organizations to offer relevant programming.

In closing my remarks, I would like to take the opportunity to raise opportunities for Congress to enable both our efforts and the larger effort to reverse the military-civilian drift.

First, is recognizing and supporting the unique employment challenges of military spouses. With an unemployment rate that is 4 times that of veterans, they need a coordinated focus that is well represented by the Hiring Our Heroes 100,000 Military Spouses Campaign. A larger and more critical request is related to the needs that Chairman Arrington outlined in the 2108 Mulder Transition Improvement Act. Giving the transition process greater structure and adding counseling and wraparound services are truly important changes that will increase the value and impact of the process.

Thank you for inviting me to speak with you today. After serving our country for 22 years, it is my honor to discuss the Starbucks veterans and military spouses program and the difference it is making in the lives of our military members and their families. Our CEO, Kevin Johnson, and our Starbucks partners look forward to working with the House Veterans' Affairs Committee in the months and years to come.