

Starbucks Adds Diversity to Board of Directors

By Geetika Jerath, J.D. Candidate 2019 | February 7, 2017

In a time where corporate diversity is a hot topic but executives do not follow through, Starbucks is continuing to prove that it is at the forefront of key issues. The international coffee giant's founder and chairman, Howard [Schultz](#), has served as a pioneer in the industry. He has engaged in national conversations about issues like student debt and race relations, positioned the company as an innovative technology-driven business, and most recently, nominated three diverse candidates to the Starbucks Board of Directors.

Schultz is set to step down from his role in April and become the company's executive chairman, leaving the chief executive title to [Kevin Johnson](#), the company's president and a former senior executive of Microsoft. However, as the future of the industry and the company changes, Starbucks is still [committed](#) to increase their female and minority representation at the top leadership level by 50 percent by 2020.

Currently, women and minorities are [underrepresented](#) on corporate boards, with women holding less than 20 percent of public corporate board seats, African-Americans holding less than 9 percent, and Asians and Hispanics both holding less than 5 percent of board seats. As one of [Fortune](#)'s "Most Admired Companies in America" for over a decade, Starbucks seeks to have one of the most diverse corporate boards. Schultz says he has "tried to create an environment within the board that would be culturally similar to that of the company." The three new [members](#) up for election are Rosalind Brewer, Jørgen Vig Knudstorp, and Satya Nadella.

Brewer, an African-American woman, serves as the president and chief executive of Sam's Club and vice president of Walmart Stores. She was selected to bring her expertise on large-scale operations, supply chain logistics, product development and management, digital technology, and "valuable experience in consumer products and distribution."

Knudstorp, the Danish executive chairman of the LEGO Brand Group, was selected to bring his experience with global executive leadership along with his "unique insight of brand and digital marketing, strategy, consumer products, and international operations and distribution."

The board member nomination that is generating the most buzz is Satya Nadella, an Indian-American man who serves as Microsoft's C.E.O. and is a loyal Starbucks customer. Starbucks and Microsoft have partnered on multiple technology-based [initiatives](#) in the past, such as launching Wi-Fi hotspots in Starbucks stores in 2001. Nadella has also worked with both Schultz and Johnson. As Starbucks continues to use [artificial intelligence](#) along with cloud and mobile technology, Starbucks hopes that Nadella will provide "invaluable insight in international operations and distribution" along with his expertise in technology innovation, which is important for the company's growth.

Once the nominees are approved by the shareholders, the board will consist of 14 people total, with 29 percent female and 36 percent minority members. The election will take place on March 22, 2017 at the company's Annual Meeting of Shareholders. Starbucks' announcement will hopefully inspire other companies to pursue and experience the benefits of diversity within their own boards.