

Organizational theories being used to analyze coca-cola



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Contents

- Discussions and recommendations

Abstraction

Organizational theories are made up of organisational classes that use one 's philosophical position points. As in this survey, the two organisational theories have been used to analyse a transnational company – Coca-Cola. Its theoretical accounts have been analyzed and encrypted to the classes that include the modernism theory and station modernism theory. In this respect, the survey begins by giving an debut to the Coca-Cola Company and returns to an in-depth description of the two theories and an analysis of the Coca-Cola company theoretical accounts of maps and the function played by the modernism theory and the station modernism theory. The survey concludes with recommendations.

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Introduction

Background Information: The Coca Cola Company

The Coca Cola Company deals with drinks trade good by fabricating and thenceforth retails and markets non-alcoholic drinks across the Earth. The druggist, John Stith Pemberton, was the innovator of the drink if his flagship of the merchandise in 1886. In 1889, Asa Candler bought the expression and the trade name used in the production procedure (Kathleen, 2006) . Apart from the definite Coca Cola, the company offers several other merchandises which sell by different trade name names. Presently, the company offers more than 500 trade names across 200 states in the universe. It is approximated that the company extends its service to about 1. 6 billion people on a day-to-day footing (Nirmala, 2003) .

In the twelvemonth 1874 the coca Cola company di aquire a a stock company position and futhermore changed its name to Pemberton company.

After three old ages, it was changed back to Pemberton Medicine Company to reflect a new founded partnership between E. H. Bloodworth, A. O. Pemberton and J. C. Mayfield (Deogun, McKay & A ; Spurgeon, 2000) . From this point, the company has expanded to every corner of the universe. In the most recent instances, the company has engaged in acquisitions which have contributed vastly to the growing of the company (Kathleen, 2006) . Its latest command to get Huiyuan Juice Group of China failed miserably due to chauvinistic inclinations in the state (Sundeep, 2009) .

With respect to organisational alteration, it is deserving observing that no company attains success without doing necessary alterations, and Coca Cola is no exclusion. The concern environment is dynamic as attested to by the huge technological alterations which on a regular basis influence how operations are carried out (Bewes, 2007) . As a consequence, it is of import to happen out how organisational alterations emerge with respect to other alterations based on modernism.

Organizational and Theoretical Classs

Modernism

Harmonizing to Giddens (1991) , the modern universe is a steamroller which is full of energy and power, and which can be directed though such may besides run out of control. In support of this position, the universe keeps on altering fleetly in range taking to profound alterations (Giddens, 1991) .

Modernism is captured with peculiar mention to four establishments:

capitalist economy, industrialism, surveillance, and control of agencies of force by province. In mention to capitalist economy, the universe is

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characterized by production in a competitive environment where labour is commoditized and private ownership of belongings is encouraged (Bewes, 2007) . With respect to industrialism, the use of inanimate beginnings of power and machinery in the production procedure takes topographic point. Surveillance has been used to mention to the activities of monitoring and supervising of workers in organisations in order to promote a smooth flow of concern battles (Kathleen, 2006) .

Disembodying mechanisms affect operations in modernism. First, symbolic items emerge as a medium of exchange basking a standardised value and staying interchangeable across pluralities of contexts (Giddens, 1991) . As an illustration, the money economic system is immensely sophisticated. Second, the deployment of proficient cognition has progressively risen to prominence. Institutional reflexiveness is besides critical as reflected by altering environmental demands. As an illustration, planetary climate alteration has influenced how organisations operate. Modernism has led to the creative activity of more chances. This holds because working infinite is more unfastened (Rayasam, 2007) . This has nevertheless led to inauspicious effects as it has increased insecurity degrees. This may be viewed in mention to occupation creative activity and occupation insecurity in organisations (Nirmala, 2003) .

Post Modernism

Post modernness captures the period characterized by originating disparity based on the former period of modernness. It is understood that modernness has led to certain alterations. Such alterations span from societal to

economic effects. Put in specific footings, station modernness is an attack that seeks to expiate for the errors or defects attributed to modernness (Bewes, 2007) . Post modernness is critical in assisting place institutional developments that generate a sense of atomization and scattering (Nirmala, 2003) . The theory perceives daily life as a conglobation of complex reactions in response to abstract systems. This extends to a contemplation on loss due to appropriation of resources. The coordination of events among different establishments indicates the demand to concentrate a common land in look intoing the inauspicious effects. This is particularly shown in the coming together in order to better the negative effects of modernness (Deogun et al. , 2000) .

Methodological Differences

Modernism is understood as the chase of success while station modernness looks at the procedure of modernism and its effects. Whereas changeless alteration underscores the theory of modernism, station modernness positions such advancement as outdated. In a more exemplifying mode, modernism theory is concerned with the acceptance of new ways or attacks used in making things at the organisational degree (Bellis, 2007) . However, the post-modernist position dressed ores on looking at what such a move of following new attacks has on organisations. As a consequence, modernism encourages change whereas station modernness focuses on the demand to follow merely the attacks which guarantee positive alteration.

Modernism is does seek to do a consistent universe position whereas the postmodernism does seek to take the differences between the high and the

low. The modernism manner asserts that human existences advancement by utilizing scientific discipline and ground ; on the other manus station modernism manner believes that advancement is really the lone manner to warrant the western domination on civilization (Nirmala, 2003) .

Modernist mentality believes in acquiring cognition from experience and swear the information that recounts the yesteryear. Conversely, postmodern thought does present a challenge to any truth in the information that relates the past and makes it of no usage at the present times. Most of the modernistic historiographers have a broad religion. They believe in traveling really deep into the issues to wholly analyse it (Sundeep, 2009) nevertheless, this does non happen with the station modernist minds. They merely believe in traveling by the shallow visual aspect and in playing on the surfaces, and they clearly show no concern towards the deepness of issues. Modernism considers the chief mechanism as reliable on the other manus postmodernist minds base their sentiment on hyper-reality ; they get highly prejudiced by things proliferated through media (Sundeep, 2009) .

Variables Lending to Organizational Effectiveness

Organizational effectivity is a contemplation of how good an organisation is executing. Performance is used in mention to the extent to which a concern goes towards recognizing its ends as stated in both its mission and vision statements (Bellis, 2007) . As a consequence, such variables as employee security, employee end product, entire production, single production, employee benefits (wages and rewards) , working conditions and overall work satisfaction are some factors which involvements a survey. In mention to modernism, variables like acceptance of engineering and commoditization <https://assignbuster.com/organizational-theories-being-used-to-analyze-coca-cola/>

of labour will be put into position. On the other hand, in relation to postmodernism, variables such as employee satisfaction and employee benefits shall take precedence (Sundeep, 2009) .

Organizational Effectiveness Capacity

what gives manner for an administration to continue in its operations for over 125 old ages, and a long the manner achieve to go the most globally recognized trade name name is merely their capacity to follow and look for new markets. this has been the instance with the coca-cola company that has helped it go an icon of the American culture. the company was invented in the twelvemonth 1885 and from the twelvemonth of incorporation in the twelvemonth 1892, a strong focal point has been on growing and marketing (coca-cola, 2007) . besides the conventional advertisements in the local publications, the company launched, Asa Candler, besides distributed 1000s of vouchers for free spectacles of the coca-cola drink so that many people could savor it (the coca-cola company. com) . he besides made distributions of vary many keepsakes that depicted the coca-cola hallmark logo.

By the twentieth century, the administration already had established operations in the US and Canada (Blumenstyk, 2006). The company's focus on the aggressive selling was its cornerstone and civilization up to day of the month. the coca-cola company was really eager to take the advantage of the new markets that emerged and enlargement attempts the eventually led to Cuba, Puerto Rico, Guam, and the Philippines (the coca-cola company. com) . after sometimes the coca-cola company had already established itself in Europe.

When the US entered into the universe war two, the coca-cola company was selling it drink to the both sides (Sundeep, 2009) . this is to demo that this company turned around what the universe could see as a menace into an enormous chance (Rayasam, 2007) .

Harmonizing to the analysis of the company, there are six factors set uping organisational effectivity: (1) leading manners, (2) organisational civilization, (3) working environment, (4) theoretical account of organisational operation, (5) flexibleness, and (6) organisational committedness. At this clip the chief aim of the company is to utilize formidable assert trade names, the company ' s fiscal ability, the all powerful distribution system, the universe market domination and the strong dedication and committedness by its direction and employees all over the universe so as to accomplish the long term and sustainable growing. The company is planetary and has to set to the assorted different Torahs of different degree Celsius companies (Blumenstyk, 2006) . the company construction is a feature of both the mechanistic and the organic theoretical accounts.

Conflict of Interests among Stakeholders

This is depicted as a mark of struggle between the pro-modernism and pro-post modernism. Every group of stockholders has a really different aim and ends, therefore there cant deficiency struggle of assorted involvements (bogomonly, 2004) . the interest holders are largely concerned in gaining net incomes while community groups are concerned with the environmental issues and the labour criterions. Those who supply to the company want besides to alter critically so that they may raise their grosss, and on the <https://assignbuster.com/organizational-theories-being-used-to-analyze-coca-cola/>

other manus the Coca-Cola Company wants to acquire the lowest monetary values so as to diminish the cost of production, the direction wants to maintain labour costs down, while employees want rises of their wages and benefits (Blumenstyk, 2006)

Organizational Design

The Coca-Cola Company is extremely decentralized. This is a signifier of encompassing modernism. Hence, the organisation has two chief runing groups: (1) bottling investings and (2) the corporate. In add-on, the operating groups split by different parts: Africa, Eurasia, Latin America, North America, European Union, and the Pacific. As a consequence each of these is split farther into assorted geographic parts (Plasketes, 2004) .

The company and its aides employ more than 31, 000 people all over the universe which is hailed as positive postmodernism where there is a creative activity of support. Syrups, the dressed ores and drinks bases for Coca-Cola, the company ' s flagship trade name, and over 230 many other company soft drink trade names are produced and sold by the Coca-Cola Company and its other little mercantile establishments in about 200 states all over the universe. The company ' s operating direction construction is made up of five geographic groups in add-on to the Minute Maid Company. The North America Group is besides made up of the US and Canada.

The Latin America Group consists of the company ' s operations across Central and South America, from Mexico to the terminal of Argentina. The Greater Europe Group moves along from Greenland to Russia ' s Far East, adding to some of the most developed markets in Western Europe and the

quickly developing states of Eastern and Central Europe. The Africa and Middle East Group consists of the Middle East and the whole continent of Africa. The Asia Pacific Group has operations get downing from India across the Pacific part embracing China, Japan, and Australia (Blumenstyk, 2006) .

As from the above observations of geographic groups, everyone around the universe has entree to Coca-Cola. Therefore, it is a planetary industry. One important fact that is necessary to nail is that Coca-Cola does non merely cover with the soft drink Coke (Bogomolny, 2004) . The Coca-Cola Company besides owns the Minute Maid Company. This is its juice subdivision, which is situated out of Houston, Texas, and is besides the universe ' s figure one seller of juices and juice drinks. The Minute Maid Company ' s merchandises are made up of Minute Maid Premium Orange Juice with Ca, Minute Maid Premium Lemonade Iced Tea, Minute Maid Coolers, Hi-C Blast and the Five Alive (Bogomolny, 2004) .

One of the Coca-Cola Company ' s major strengths is its ability to make concern on a planetary graduated table and at the same clip keeping a local attack. At the nucleus of this attack is the bottler system. The coca Cola company has the fiscal capacity to set at equilibrium standardisation and common accommodation.

Organizational construction

The Coca-Cola company construction is a combination of both the mechanistic and the organic theoretical account working together, the most country of concern n the Coca-Cola company is on the reactivity (Dawson and Halpert, 2009) . The intertwined nature of incorporate mechanisms as

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antecedently discussed are the chief features of an organic construction (Bogomonly, 2004) . The companys facets associated with mechanistic theoretical account construction are the centralisation and the high standardisation, the companys stableness and flexibility. therefore it is the mechanistic organic, as for the organic theoretical account is concerned with efficiency, high low standardisation, responsiveness specialisation, high low intergrating mechanisms, the simple complex centralisation, the high low communicating and the top to down (Dawson and Harpert, 2009) . The seting together of both types of construction appears to be really ideal for the organisation.

Bing flexible is really important for a company seeking to appeal to a really diverse and big figure do really independent markets. Nevertheless, high standardisation is really critical to go on being efficient in production. The company use of complex incorporating mechanistic theoretical account makes it able to unclutter the coordination of the company globally ; moreover, centralisation supports organisational deliberations in line with the company ' s ends and aims.

The in formation in the company is traveling swimmingly in about every way, this is because the upper direction is able to hold easy entree to the information hastier than it did earlier ; this is viewed as the modernistic advantage, adding to the company ' s flexibleness and high reactivity. The modern changing towards a thorough decentralized and organic construction correspond with the instability of the company ' s environment. the chief strategic structural kineticss that the company had to travel through in the recent yesteryear has Influenced it positively, the gross revenues has really <https://assignbuster.com/organizational-theories-being-used-to-analyze-coca-cola/>

extremely increased and employees were more satisfied (Bogolomolny, 2004) .

The organisation is seeking to develop a more originative tradition by traveling towards decentralisation even though it seems that it is non satisfied with its drink industry tendencies, nevertheless it is contending on to stay unchallenged in the production of new and most electrifying merchandises.

Organizational scheme

The most outstanding competencies that allows the organisation to acquire to its greatest competitory advantage are in its strong trade name name which includes its big web of bottles subscribers (Bellis, 2007) . Other than the selling capacity and capablenesss including the wide portfolio merchandises, the Coca-Cola company has major competencies which are vey hard to double. The strong trade name name of the company does supply the company with a really high degree of dickering power and purchase due to its ability to encompass and ingrain modernism in their concern theory. A good illustration is shown in the competition of the pepsico and the coca Cola company in the twelvemonth 1999 for the stamp to provide the wenndys restourant concatenation with drink, pepsico offered far much higher sum than the cocacola company but the wendys opted for the cocacola company due to its trade name name (Deogun and Gibson, 1999) . Therefore the trade name name acknowledgment is a major benefit beginning for any concern and it gives an upper manus as a great bargaining tool.

The Coca-Cola company's concern degree is really alone, since the company is known to use creativeness in selling that does advance its trade name name in a large manner and therefore protecting its other subdivisions from its competitors. This is to state that the company is normally dedicated to extended market research and development of more local offices, therefore creating new ways to go on functioning the clients in the whole universe (Friedman, 1992) .

Organization engineering

At the present, the output procedures are the largest beginning of deficiency of stability for the company, as antecedently stated, the Coca-Cola Company does not bring forth the terminal merchandise, but instead it is the distributors and the bottlers that mix the ingredients and come up with the terminal merchandises, that is carbonated H₂O and sirups and the dressed ores. The Coca-Cola trade name name is on the terminal merchandises, this is without consideration of the bottling company, the company moreover pushes for the care of really high quality end products without which the whole Coca-Cola company would destroy its reputation as a whole, the sirup is the secret of a few and has never been disclosed in any manner (Friedman, 1992) .

The chief structural feature of the company which applies the mass production is a mechanistic construction where efficient production is compulsory terminal (Fisher, 2007) . The Coca-Cola company construction is really alone and sole this is indicated by the fact that it has a batch of features of an organic construction. This is brought approximately by its ability to concentrate on the marketing and the local credence. This <https://assignbuster.com/organizational-theories-being-used-to-analyze-coca-cola/>

structural divergency means that the companies production may non be really efficient as required ; however, the benefits of the company construction overshadows he consequences (Fisher, 2007) .

Organization transmutations

The company since its constitution in the twelvemonth 1888 to take advantage of an established and stylish Coca-Cola name, when this company is analyzed in the four life rhythm phases which is birth, growing, diminution and decease it is found out that after more than 120 old ages the company is ever on the growing phase, this is attributed by the company valuing creative activity formation accomplishment that continue to turn (Adrienne, 2007) . The company has gone through a batch of international jobs over the many old ages it has been in being, it has nevertheless continued to fight to run into the employees demands while on the other manus seeking to maintain labour cost low.

For case in the twelvemonth 2005, the workers downed their tools and protested the directions attempts to present a policy where the employee were compelled to pay for their medical measure at a greater part than the company, this was nevertheless seen as a negative attack to modernism (McKay and Terhune, 2004) . It is estimated that the company can non afford any work arrest due to its clients demand and it could stop up losing a batch of gross another major is the internal job that the company ' s director s or the board in that instance have a batch of powers and influence that is the ground as to why the company was unable to pull its top picks for CEO in the twelvemonth 2004, and the board has gone farther to drawing ads that

were displayed with the grounds that they do not fit up with the company image (Mac Arthur, 2004) .

Lack of certainty in the environment has brought approximately legion jobs for the company, changing from deficiency of certainty of some of its major providers and distributors to the political and social force per unit areas. This is as a consequence of modernism. The Coca Cola company has undergone assorted jobs since its creative activity and as it progresses through each phase in the Greiner's theoretical account of the organisational growing (Fisher, 2007) .

How Conflicts, power and political relations are managed

Having struggles in some ways can be healthy for a company to better the manner determination devising advancements, and to develop advanced ways that jobs can be looked at. Struggles can besides be a really of import beginning of problem for a company particularly when they lead to decrease of production and inhibit determination doing procedure from being initiated or mate. (Friedman, 1992) for case when the company kind for the CEO in the twelvemonth 204, its top picks declined due to the chances realized that the board had inordinate power (Ghemawat, 2007)

These signifiers of struggles can in a large manner affect the company ' s ability to alter and acclimatise rapidly which is really critical for the company ' s progressively unsure environment. This illustration besides depicts that it can suppress the company from acquiring important human resources. The selling section is said to hold the greatest power in the whole company ' s fractional monetary units (Ghemawat, 2007) . The net incomes they are got

from the power allocated to the selling section map extremely supposes it s any negative effect. In add-on by enabling the entree to resources by this section could even carry on greater market research (McKay, 2007) .

Prognosis

The Coca-Cola Company faces so many jobs, such as in the US the consumers are going more wellness witting due to miss of appropriate modernism by the company on peoples wellness, which has adversely affected the gross revenues of Coca-Cola Company. moreover, due to the company ' s planetary presence it must besides be able to cover with assorted planetary political challenges. it has been criticized by the station modernist for doing great trade of pollution, botching towns H2O supply, it has besides been highly criticized fro its suspected anti-union actions every bit good as the increasing competition from good established planetary companies and local organisations as good (Annual study, 2006)

The company is besides combating out with challenges posed by the natural stuff providers. The monetary values for most of its jurisprudence stuff vary based on the planetary market conditions. accordingly, when these awards rise, the production cost additions, this is because a figure of natural stuffs are merely found from a figure of limited providers (Annual report, 2006) . the Coca-Cola company is more decentralised construction which is separated by parts, given that many of the company ' s jobs are geographically based, the decentralised construction is really ideal. As the instance, each part has it ain alone consumers penchants and different jobs to fight with (Makay, 2007) . Therefore, it is the ground as to why in the decentralised construction, jobs can be solved easy and more rapidly and <https://assignbuster.com/organizational-theories-being-used-to-analyze-coca-cola/>

efficaciously. Most of the company's maps remain with the female parent company or the headquarters such as the selling and development of new drinks or schemes, this in a manner allows the company to develop one planetary message, but besides enable that message produced to be tailored at the local degree (McKay, 2007) .

Discussions and recommendations

The Coca Cola company has developed a really high-level of uncertainty when it comes to the affair of natural stuff, this is because a few of its ingredients, the company has merely one or two feasible and dependable providers. This could be extremely debatable because of assorted grounds. The company has little bargaining power if there is small feasible provider. Another major job is cited to be the rise if the provider is unable due to natural grounds to present the measure of the supply required or goes financially ruin the company could endure greatly (McLellan, 2006) .

The carbon monoxide Coca Cola company is able to develop a secure relationship with its providers this could be by utilizing methods such as the strategic alliances the mostly optimal ; the tactic to be used is to use the backward perpendicular integration and buy some providers. The terminal consequence of such a method would enable the company to maintain its net incomes that the providers used to do therefore salvage on cost and have a feasible beginning of supplies.

Other than the existent purchase of the company, another dearly-won construct of the perpendicular integrating is high degree of bureaucratism cost (McLellan, 2006) . The company should purchase some of the

companies that supplies it with natural stuffs such as the Ajinomoto carbon monoxide Iraqi National Congress, nutrinova, which is a nutritional fortes and nutrient ingredients GmbH and besides the Nutra sweet company this is merely as a hereafter chance is unsure (Annual study, 2006) .

The safest manner of commanding the providers for a company is chiefly through ownership, this is to state the Coca-Cola Company should have one of the companies doing it chief concern more profitable, for the company is able to buy through high recognition evaluation and hence, it can raise money for the acquisition at a better monetary value.

The company determination devising variety meats and procedure is non consistent to the construction, mission vision and values of the company, this is because it is extremely centralized and when compared to all the things that take s topographic point in the company, it is extremely at mistake. The company has its mission and values as advanced creativeness and employee engagement in the determination devising this is because the company has a extremely organic construction, however, it would implement determination devising and enforcement of the organic construction by largely implementing a scheme for organisational acquisition. this Can Begin by switching directors more frequently to other sections on periodic footing, this will do the directors think outside the box when doing determinations (Mclellan, 2006) . This will besides convey in larning into the company, therefore intilling the organic civilization into everyones head frame. As a consequence, the company will hold the capacity to work out jobs more fleetly and stop up a powerful community as a consequence.

The other ways that the company could fit up the determination devising with its functionality construction is through confirming the employees to take manus in the determination devising procedure, it should implements an unfastened door policy whereby employees can interact really good with their directors therefore assisting I the resolution of jobs (Mclellan, 2006) . This is what can do the direction more cognizant of the little jobs that become large and work out them before they magnify. This is to state that by the company devising alterations on its determination devising procedure it is possible to go more accustomed to it vision, mission and values, as a consequence, it will be a motive in all that are involved by doing the determinations in a clip witting mode (Morris, 2007) . This will besides do the stockholders feel that the Coca-Cola company has a promising hereafter because of adding more in-between degree employees in the determination devising procedure, it is enabling leading and inspiring coaction and high innovativeness (Morris, 2007) .

The company has besides in the recent clip criticized for the responsibilities of the bottling spouses in the Colombia, where it is said that an employee was killed for fall ining a certain workers brotherhood, even though the company does non straight acquire involved with the works, it faced batch of boycotts and cases, irrespective whether the company was cognizant or non its name is attached to the merchandise (Phillips, 2004) .

Therefore, to change by reversal the state of affairs the company ought to buy the bottling spouse in Colombia ; by the usage of its resources it can develop the works. hence, the directors would hold to work with the

brotherhoods leaders to develop an understanding that is sensible for both
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sides, this is possible because when the company takes over the bottling works it could hold an upper manus in the determination devising and controlling of the directors activities, this could farther raise answerability and dedicated resolution of jobs therefore doing the company garner a batch of positive promotion for the company ' s operations and proviso benefits for holding a stable distribution channel in the part (Phillips, 2004) .

However the company does non have most of the bottling workss, hence following the Colombian bottler could supply the company with an chance to develop new relationship with the citizens of that state. However, this could be the company some money even thought the benefits overshadows the cost. Last the company has made itself follow the alterations of environment and the demand for the modern universe (McKay and Terhune, 2004) .

However, disconnected alterations do take clip to follow and implement so as to bring forth equal consequence, some of these alterations in the company may include, civilization alteration and the alterations that takes topographic point by the unstructured determinations doing theoretical account which finally create a greater consequences for the company.