

# The worlds largest beverage company business essay



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The study outlines the major leading factors to the success of Coca-Cola. The study discusses how leading, motive and invention have been the leading factors in the success of Coca-Cola. Each of these factors is supported by the theory and application. It is stated that the CEO and president of the managers of Board of Coca-Cola, Mr Muhtar Kent has been the most effectual leader the stockholders have of all time had in last 25 old ages. There are scopes of motivational factors employed by the company which have proven effectual. The study so goes on to speak about the invention in the administration at the merchandises degree, boxing degree, equipment degree and selling degree. The study generates the decision which provides the sum-up of the study.

## **Introduction**

The Coca-Cola Company is the universe 's largest drink company offering more than 500 trade names and 3500 merchandises world-wide ( Coca-Cola, 2012c ) . It was established in 1886 and in these last 126 old ages, it has expanded globally and sells its merchandises in more than 200 states and has a rate of service 1. 8 billion helpings a twenty-four hours worldwide ( Coca-Cola, 2012c ) . This shows that the company has grown enormously over the period of 126 old ages. It is one of the top 10 private employers holding more than 700, 000 system employees globally. It is the trade name that is liked by bulk of population worldwide. The current portion monetary value is \$ 37. 76 compared to the portion monetary value of approx \$ 20 in 2004. Since the 2006, the growing of the portion monetary values has been uninterrupted and has helped the company to spread out itself more ( Coca-Cola, 2012c ) . There are many factors that have contributed to the success

of the Coca-Cola Company. However, the three major factors that are discussed in this study are Leadership, Motivation and Innovation. These three factors have been important in the success of the administration. The study will discourse these three factors supported by the theory.

## **Leadership**

Leadership is the procedure of taking or steering a group of people working towards accomplishing the same end or aims. There are many theories of leading. Of all, the House Path 's Goal theory, Great adult male theory and Trait theory are among the popular 1s. House 's Path Goal Theory was developed by the Robert House and it is slightly related to the anticipation theory of the motive ( Evans, 1996 ) . The theory is based on the premiss that the employee 's perceptual experience of anticipations between his attempt and public presentation is greatly affected by the leader 's behavior. The theory besides suggests that there are four chief leading manners which include directing, supportive, participative and achievement oriented ( Management survey usher, 2012 ) . In the directing leading, the leader directs the subsidiaries through supplying guidelines and informing them what is normally expected of them through puting public presentation criterions. Supportive Leaderships are friendly and take involvement in the demands, public assistance and good being of subsidiaries ( Management survey usher, 2012 ) . The participative leaders are more into group determination devising and affect subsidiaries into determination devising related to undertakings, ends etc. Finally, the accomplishment leaders set disputing ends for the subsidiaries and motivates them to make to the peak public presentation ( Wilsey, 1995 ) . The effectivity of the manner used

depends on the state of affairs. The theory besides states that the relationship between a leader 's manner and its effectivity depends on the employees ' features and features of the work environment in which the leading takes topographic point ( Evans, 1996 ) . The president of the Board of managers and CEO of Coca-Cola, Mr. Muhtar Kent is an effectual leader. Mr. Kent has joined the company in 1970s and since so worked out his manner to go the CEO and president of the board of managers of Coca-Cola. He resigned in between for seven old ages and came back to the Coca-Cola on the one status, to spread out the market to the China ( Blackden, 2011 ) . He knew how to bring forth the consequences. Harmonizing to the Coca-Cola stockholders, Kent is the best Chief executive officer they have of all time had in the last 25 old ages. The company merely kept come oning since its coming back. He has set out rigorous guidelines for the employees. For illustration, employees or even CEOs who use the given cell phone for personal usage must pay \$ 15 each month ( Blackden, 2011 ) . This regulation applies to CEOs every bit good. He thinks that looking at stock is the waste of clip and he merely looks at stock monetary value one time a hebdomad. He is considered as being the combination of supportive, achievement and directing leader ( Blackden, 2011 ) . He knows in which state of affairs a peculiar attack will take to an effectual result.

## **Motivation**

Motivation is the procedure of hiking the morale of the employees to promote them to volitionally give their best in carry throughing the undertakings. Motivation is related to the leading. It is non possible to win at leading if the employees are non motivated. Motivated employees are more

productive. The most popular theory of the motive is the Abraham Maslow 's motive theory. Harmonizing to this theory, all the human demands can be organised into hierarchy in order of its importance ( Pat, 2002 ) . Worlds are motivated through the fulfillment of the five demands: Physiological demands, Safety needs, Social needs, respect demands and self realization ( Pat, 2002 ) . Each demand must be satisfied before the following demand becomes the dominant motivation factor in the individual 's behavior ( Pat, 2002 ) . In footings of workplace, the physiological demands of an employee is to hold a just wage and comfy on the job conditions. The safety needs is considered as security of employment, right to fall in the brotherhood, work topographic point insurance, exigency medical installations and the similar. The 3rd demand is the societal demand which covers the friendly work group and squad work and societal occasions for the workers. After the fulfillment of the societal demands, the demand for esteem arises. It includes attractive occupation rubric and congratulations for the work good done, just waggess and grasp that boost the assurance of the workers. Finally, self realization is about the meaningful work which is disputing that a individual wants to make, leting for calling patterned advance through instruction and preparation, to alter the occupations within the concern etc ( Wilsey, 1995 ) . As the individual moves up in the hierarchy, the lower needs become less importance. For illustration, when employees are motivated by ego realization, they are least concerned about the physiological demands. The ability or Muhtar Kent to actuate its emplyees through assorted schemes has lead to the successful company today ( Blackden, 2011 ) . Coca-Cola has a corporate scheme to handle all people good. It is immaterial that a individual is working as the janitor in the bottling works or working as the <https://assignbuster.com/the-worlds-largest-beverage-company-business-essay/>

senior director. All employees are treated and motivated in such a manner that all of them give their best when it comes to the work public presentation. It has created an environment where employees can stand out in their public presentation, develop accomplishments for betterment and travel towards their calling ends ( Blackden, 2011 ) . This fits in the self realization demands of the Maslow 's Hierarchy of demands discussed earlier. Coca-Cola believes that its success depends on the motivated and committed employees. It has implemented several different ways to mensurate the degree of employee battle and the effectivity of the motivational factors employed within the concern. Harmonizing to Coca-Cola, the scope of motivational factors employed are developing and development, wage and wagers, other factors depending on the civilization employee belongs to, function enlargement, sponsorship to the conferences, advanced acquisition and development chances, grasp letters/ certification and differentiated compensation ( Coca-Cola, 2012d ) . In add-on to these, promoting advancement, acknowledgment part, giving disputing undertakings, just compensation, recreational activities, single end scenes, particular assignments, publicity, appellation alteration, one-year inducement program ( AIP ) , Making the move ( MTM ) for high monthly gross revenues mark winners, and employees of the one-fourth acknowledgment, lifestyle inducements such as paid holiday and vacations, flexible clip, occupation sharing, telecommuting and local wellness nine price reductions ( Coca-Cola, 2012d ) . The assessment system at Coca-Cola has three stairss involved which includes define the occupation, measure the public presentation and supply the feedback. The public presentation direction system includes talent scheme, endowment appraisal & A ; <https://assignbuster.com/the-worlds-largest-beverage-company-business-essay/>

cleavage and differentiated wages & A ; development intercessions. This shows that Coca-Cola has good developed effectual schemes for actuating employees.

## **Invention**

Harmonizing to VHA Health ( 2006 ) , `` invention can be defined as all the scientific, technological, commercial, organizational and fiscal activities that are necessary to make, implement and market new or improved merchandises or procedures " . It is fundamentally those enterprises that can bring forth the value through feasible new concern constructs. An administration with inventions has an ability to bring forth plenty positive hard currency flows, meet concern ends and aims, maintain lead on the competitions and spread out itself. Invention can be categorised into prolonging inventions, transformational inventions, and riotous inventions ( VHA Health, 2006 ) . Prolonging invention helps to continue or keep the bing offering of merchandises or widen the lifetime of the merchandises or services through betterments in the merchandises. When an administration normally marks such invention, it considers take downing down the cost and bettering the quality of the merchandise. Such inventions when introduced by the companies, becomes the industry standard rapidly and the competition becomes stiff. Frequent flyer plan from the air hoses is the illustration of prolonging invention. Transformational inventions involve major alterations and affect several operational elements such as uniting merchandise and services that helps to distinguish administration from its rivals. It requires the administration to make something basically different. The riotous invention frequently has features that consumers do non desire

ab initio. However, in the ulterior stage, there is a possibility of it being valued by some fringy or new sections. The prolonging invention of the Coca-Cola can be seen in its merchandises, packaging, equipment, and selling and in the market topographic point ( Coca-Cola, 2012b ) . The company operates 500 different trade names of merchandises. The portfolio of more than 3500 drinks worldwide makes it really advanced company. This advanced drink offers consumers with reviewing experience. The merchandises are packaged as such that it becomes the culturally acceptable easy. Coca-Cola has considered the importance of cultural values and it ensures that its trade name packaging, particularly colorss and local linguistic communication labels are non considered as violative ( Coca-cola, 2012b ) . The invention besides lies in sustainable packaging which includes three R schemes. It is targeted to cut down the sum of energy and stuff used in packaging, Recover the used bottles or other packaging worldwide and recycle the cured stuff to turn into something utile such as ( Coca-Cola, 2012a ) plastic chairs. The company has started to utilize 100 % reclaimable stuff in fabricating the merchandises ( Coca-Cola, 2012b ) . The invention besides lies in the equipment the company uses as a medium to make its clients. It includes utilizing zero emanation electric trucks, turn overing out Coca-Cola free manner nationwide in US, understating the usage of H<sub>2</sub>O, cut downing Diesel and gasolene usage, green valpr works and works bottle packaging, solar powered ice chests for the rural topographic points, clime friendly infrigidation and so on ( Coca-Cola, 2012b ) . The inventions in the selling includes advancing the merchandise utilizing celebrated personalities, partnership in events such as Olympics, patronizing athleticss events, making to 50 million Facebook Coca-Cola fans, partnering with music

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companies like Spotify etc ( Coca-Cola, 2012b ) . Finally, it can be said that invention is at the bosom of everything Coca-Cola does and it is what keeps it thirsting for success.

## **Decision**

The Coca-Cola is the good known, universe 's largest drink company offering more than 3500 different types of drinks through 500 trade name names. There are many factors that have contributed to the success of Coca-Cola. The recent growing can be seen in the last 6 old ages when the portion monetary values have about doubled. The major factors that have significantly contributed to the success of the Coca-Cola and without which the administration could non hold survived are leading, Motivation and Innovations. The leader Muhtar Kent ( CEO and president of board of managers ) , since his reaching in the company took it to the new highs through his leading abilities. Motivation is another factors identified as vital in the success of administration. There are legion motivational factors as discussed in the study are being used by administration that motivates employees and helps to convey the best out of them. These factors guarantee that the basic demands such as physiological demands to the highest degree of self realization demands are satisfied for employees. Finally, the invention is what has kept the administration at the top of competitions. The invention can be seen in its merchandises such as differentiated Coca-Cola, packaging, equipment being used and in selling. The invention is at the bosom of everything the Coca-Cola does. The company has been sing success and in the hereafter, harmonizing to its marks set, the company is expected to maintain acting at degree best.