

Organizational behavior within coca cola using models and theories



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Introduction

The Company Coca-Cola is a beverage company, they act as makers, they distribute, and marketer of non-alcoholic beverage drinks and syrups. The company is greatly known for its bellwether product Coca-Cola, it is created by pharmacist John Stith Pemberton in year 1886. The Coca-Cola method and brand was acquired in year 1889 by Asa Candler who integrated The Coca-Cola Company in year 1892. Alongside its namesake Coca-Cola liquor, Coca-Cola recently presents more than 400 brands in over 200 countries and supplies' 1.6 billion servings every day. The company performs a franchised distribution system dating from 1889 where The Coca-Cola Company only creates syrup concentrate which then they sold to many bottlers encircling the world who grasp an exclusive territory. The Coca-Cola Company's main centre of operations is in Atlanta, Georgia. Coca-Cola's stock is tabulated on the NYSE and is part of DJIA, the Russell 1000 Index, S&P 500 Index, the Russell 1000 Growth Stock Index. Its current chairman and CEO is Muhtar Kent.

Coca-cola's Global coverage.

History

The Coca-Cola Company was initially organised in 1891 as the J. S. Pemberton Medicine Company, a co-participation between Dr. John Stith Pemberton and Ed Holland. The company was established to sell 3 main products: Pemberton's Indian Queen Hair Dye, Pemberton's French Wine Cola (later known as Coca-Cola) and Pemberton's Globe Flower Cough Syrup. In year 1884, the coca cola became a stock company and the name was

modified to Pemberton Chemical Company. D. D. Doe and Ed Holland became the new president and Vice-President respectively. Pemberton remains the superintendent. The coca cola's factory was settled at No. 107, Marietta St. After 3 years, the company was again modified to Pemberton Medicine Company, again by co-participation, but this time between Pemberton, A. O. Murphy, E. H. Bloodworth, and J. C. Mayfield. Finally in October 1888, the company gained a charter with an empowered capital of \$50, 000. The charter became legitimate on January 15, 1889. By this time, the company had increased its propositions to include Pemberton's Orange and Lemon Elixir.

Revenues

As given in the annual report of 2005, coca cola sells its different liquid refreshment products in many countries, more than 200 countries. The report again states that of the more than 50 billion beverage servings of all types inhaled worldwide each day, beverages consort the trademarks possessed by or authorized to Coca-Cola account for nearly 1. 5 billion. Of these, beverages having the trademark " Coca-Cola" or " Coke" accounted for nearly 78% of the Company's overall gallon sales. Also as mentioned in the 2007 Annual Report, Coca-Cola had gallon sales allocated as follows:

In the United States = 37%

In Mexico, India, Brazil, Japan and the People's Republic of China = 43%

Spread throughout the rest of the world = 20%

In 2010 it was declared that in annual UK grocery sales Coca-Cola had become the first brand to top £1 billion.

The data for the year 2009 is given in the table below:

Mission, Vision and Values

Following are the mission, vision statements and company's core values taken from the company's official website:-

The world is changing all around us. To continue to thrive as a business over the next ten years and beyond, we must look ahead, understand the trends and forces that will shape our business in the future and move swiftly to prepare for what's to come. We must get ready for tomorrow today. That's what our 2020 Vision is all about. It creates a long-term destination for our business and provides us with a " Roadmap" for winning together with our bottling partners.

Mission

Our Roadmap starts with our mission, which is enduring. It declares our purpose as a company and serves as the standard against which we weigh our actions and decisions.

To refresh the world

To inspire moments of optimism and happiness

To create value and make a difference.

Our Vision

Our vision serves as the framework for our Roadmap and guides every aspect of our business by describing what we need to accomplish in order to continue achieving sustainable, quality growth.

People: Be a great place to work where people are inspired to be the best they can be.

Portfolio: Bring to the world a portfolio of quality beverage brands that anticipate and satisfy people's desires and needs.

Partners: Nurture a winning network of customers and suppliers, together we create mutual, enduring value.

Planet: Be a responsible citizen that makes a difference by helping build and support sustainable communities.

Profit: Maximize long-term return to shareowners while being mindful of our overall responsibilities.

Productivity: Be a highly effective, lean and fast-moving organization

Live Our Values

Our values serve as a compass for our actions and describe how we behave in the world.

Leadership: The courage to shape a better future

Collaboration: Leverage collective genius

Integrity: Be real

Accountability: If it is to be, it's up to me

Passion: Committed in heart and mind

Diversity: As inclusive as our brands

Quality: What we do, we do well

Focus on the Market

Focus on needs of our consumers, customers and franchise partners.

Get out into the market and listen, observe and learn

Possess a world view

Focus on execution in the marketplace every day

Be insatiably curious

Act Like Owners

Be accountable for our actions and inactions

Steward system assets and focus on building value

Reward our people for taking risks and finding better ways to solve problems

Learn from our outcomes — what worked and what didn't.

Be the Brand

Inspire creativity, passion, optimism and fun.

ORGANISATIONAL DESIGN:

The coca cola company realise that it needs to be able to meet the ever changing demands of its customers. And because of this the company pushed towards decentralisation in nineties, and even more so recently.

Coca cola organisation has two operating groups Bottling investment and corporate. There are also operating groups divided by different regions such as: Africa, Eurasia, Latin America, and Pacific and North America. By allowing decisions to be made on a more local level, the organisation can quickly respond to changing market demands, and with the help of this higher level of management can focus more on long term planning.

Certain division of company that are centrally located within the corporate division of the company are finance, human resource, marketing, innovation, strategy and planning. Some of these functions are take place at lower levels in each of the region of the company; however, most decisions are made at the top of hierarchy for example , in 2002 the decision to sponsor the world cup was done at corporate level. Corporate headquarters, however, allowed the local the local division to made the advertising decisions. This allowed each division to specifically design commercials and adds that would appeal to the local market.

When Neville Isdell took over as CEO and chairman of the coca cola company in 2004, he began to using more complex integrating mechanisms. He used team of top managers to create solutions to the organisations most pressing problems and in order to deal with organisation's extremely low growth rate.

Face to face meetings were held regularly at the local levels so employees could remain informed. Beside the use of team and meetings, the intranet <https://assignbuster.com/organizational-behavior-within-coca-cola-using-models-and-theories/>

was overhauled to provide a source of real-time sharing of information. The use of complex integrating mechanisms is important in such a tall and wide organisation.

It is important that company's each function is able to share up to date information quickly with each other. The organisation seems to be doing excellent job of balancing standardization and mutual adjustment. The code of conduct for organisation is a guidebook for how every employee should act. Due to changes implemented by Isdell, mutual adjustment has started to play a major role in organisation. Employees feel more engaged and turnover has been reduced. Isdell's have led to increased growth rate for the organisation, and return on equity for stockholders went from a negative return to a 20 % return.

The balance is essential, because it allows employees some flexibility, but also gives the organisation some predictability. The coca cola's structure is a hybrid of both mechanistic and organic models. The focal point of coca-cola company is on responsiveness. The complex integrating mechanisms previously discussed are characteristic of an organic structure. The surveys and interviews used by the company allowed information to flow from the bottom-up, and the intranet allows for the information to be exchanged laterally. Centralisation and high standardisation are associated with a mechanistic structure.

The blending of both types of structures seems to be ideal for the organisation. Flexibility is essential when trying to appeal to such a vast number of independent markets, however, high standardisation is important

to remain efficient in production. The use of complex integrating mechanisms allows for easier coordination for the global company. Centralisation keeps organisational choices aligned with organisational goals. Now that information in the company is flowing in the every direction, upper management will have access to the information more quickly, adding to the organisation's flexibility and responsiveness. The recent shift towards a more decentralised and organic structure corresponds with the uncertainty of the organisation's environment.

Designing organisational structure: Authority & Control

The coca cola company currently employees approximately 94800 employees. To know about the hierarchical level I studied the general organisational chart of the company and according to the general organisational chart obtained from the company's website, there are more than 5 hierarchical levels at the corporate level.

For example,

The head of the Canadian division report to the president and COO of the North American group.

That president reports to the CFO

CFO reports to the Office of the general counsel.

The general counsel then reports to the CEO. It is fair to assume that at least a few more steps in the hierarchy at the local level.

Due to its wide structure, the organisation has experienced communication problems. One of the problems discovered through a survey, was that the people and company lacked clear goals. Tall hierarchies also cause motivation problems, which is why organisation is attempting to get employees more engaged. The increased usefulness of the company's intranet will also increase the interaction and communication every level of employees, and allow upper management to communicate effectively to the front line employees.

2006 report based information this span of control seems somewhat slim for the CEO of such a large and wide organisation. They make a senior leadership team, CEO is also a member of this team. This team consists of each head of eight operating groups aforementioned. There are six people that answer directly to the CEO, the CEO is able to receive input from a wide variety of divisions because of this leadership team.

The company's move to decentralisation has caused structural changes. New offices have been opened to facilitate decision being made closer to the local markets. The organisation has also undergone centralisation of some of the company's departments.

How they applying different organisational behaviour Theories in Organisation:-

The MOTIVATION THEORY used within the organization:-

The motivational system of the Coca Cola Company can best be explained as one that recognise with Clayton Alderfer's ERG theory. The workplace output

within the coca cola company is unmatched by various companies today.

Three vital components make up Aldermen's theory:

In the 1st part the existence needs within the company is the main focus.

2nd part focus is on the relatedness needs within the company.

And third part touches on the development requirements within the company.

The existence requirements of the employees within the coca cola company can be explained as those requirements that have a wanted physiological impact on the employees within the company. In accession it could be the matter well being of the organisation itself. In order for there to be consistency within the company, the employees must have an ability of adherence in their recent position, as well as a power for growth within the company. Remembering that workers have the desire to be amused within the organisation in which they work, The Coca-Cola Company has various different programs in place in order to support with this process.

The company offers cultural alertness programs and employee councils; these forums reside of workers that share similar interest or backgrounds. The persons within these councils provide both professional and personal development to one another. The Coca-Cola Company motivates their workers with incentives and employment occasions on a daily basis.

The Coca-Cola Company's material well-being is being attained each day.

The company uses innovative ideas in order to reach the younger breed of today. Their nightclub-based programs which cater to America's bloom are a <https://assignbuster.com/organizational-behavior-within-coca-cola-using-models-and-theories/>

very good example of this. These programs give live amusement and custom-designed club furniture to the club owners.

Strategies they using:-

First strategy coca cola uses to motivate its employee is their high pay. Coca cola is one of the highest paying companies in the Atlantic Area. Coca cola uses this strategy to not only attract and keep employees but it utilize it to get the best performance out of their employees.

To motivate employees the offer them benefits. One benefit that coca cola offers is a 401K plan, like most companies coca cola offers 401K plan as a way for employees to invest some of their money so that they have some savings later on. Coca cola also offers medical benefits to employees.

3rd strategy that coca cola uses to motivating its employees and boost their moral is something that they call employee forum. The employee forum is a program allows employees to form groups with the members of the group with similar interests. The groups are allowed to meet once in a week and discuss their topics. The forum definitely a great way for the employees to increase their interest in the company.

LEADERSHIP THEORY they using within the organisation:-

Leadership is concluded in lots of ways. When an employee is appointed in a position to do a job the manager ascertains employment qualifications but also must have a ability to be able to work with this individual daily.

Leadership is having the capability to motivate. In this company workers are criticised when anything goes wrong. It is always the negative things or activities that are discussed or noted and all positive motives that employees denote every day in seldom mean to say all most never discussed or noticed on a daily basis. Coca cola Company every time ignore negative managers, negative managers should adore their workers 3 times or more weekly than disapprove.

Coca cola's base of operations is in Atlanta has a need in place that all managers' detail in their personnel files any noteworthy event. Managers at all levels show their gratitude to workers for representation well done daily. Coca Cola's employees manage a upper degree of motivation and work ethics because " they feel good" working at Coke. This " positive" management solution draw attention the very best in the work place and employee turnover is decreased.

Good managers attain respect by all levels and should have in place staff working as a team that is reliable and do the job exact every time. Coca cola trust in " Open Door Policy" is a very important and managers need to listen. In coca cola company Managers keep employees " in the loop" with weekly meetings with knowledge regarding the company. Too many get together make for a " bored" employee tiring them out to want to be productive the rest of the day.

Organisational behaviour MODELS:-

There are 5 basic models of organisational behaviour

Autocratic

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Custodial

Supportive

Collegial

System

Autocratic model

Basis is power with managerial assimilation of ascendancy (authority). Those who are in authority must have the ability to demand.

Coca Cola Company gets benefits by using this model when it approaches to guide managerial behaviour when there were no well known alternatives.

Coca cola also uses this model under some supreme situations such as organizational disaster.

Custodial Model: –

The basis of this model is economic assets with a managerial assimilation of money. Following this model Coca Cola provide security and benefits to employees. Employee feels with reasonable contentment. And because of this entire employee's performance result is passive cooperation.

As company take care of their employees, gives benefits to motivate them and as a result of these employees psychological result also comes in the favour of the company i. e. employee's dependence on organisation.

Supportive Model:-

The basis of this model is leadership with a managerial assimilation of help or support.

With the help of this model Coca Cola make their employees participate in the organisation's activities and also task investment in the organisation.

Coca Cola organisation help their workers and thus employees are greatly motivate because their status and identification requirements are better met, thus they have alerted drive for work.

Collegial Model:-

The basis of this model is partnership with a managerial assimilation of team cooperation. Coca Cola follows this model so that the employees feel needed and useful and in result employees give responsible behaviour and self discipline to the organisation.

System Model:-

In system model employees want a work circumstances that is ethical, soaked with sincerity and trust and give a chance to experience a developing sense of association or community among co-workers.

Coca Cola Company's managers always try to convey to workers that they are an important part of their system. They sincerely care about each of them. They want to unite together to acquire a better product or service, local association and society at large. They will make each exertion to create products that are environmentally friendly.

It helps employee assurance to short and long term goals.

Offer timely and acceptable feedback.

Build cohesive, productive work team.

Employees clasp the goal of organizational influence and rearrange the mutuality of company-employee responsibility.

It makes ability of psychological ownership for the organization and its commodity service.

In this way Coca Cola by realising their employees that they are very much important for them and they are the need of organisation, they increase the employee's passion and commitment to organisational approach.

COCA COLA as an EMPLOYER:-

Its workplace has a world of opportunities, engaging work, global culture and competitive rewards.

It has a flexible global picture and addresses various and changing business and employment surroundings and specific individual preferences- has an inclusive and diverse work environment.

Coca cola honor employees for good performance, proficiency development, and for complete company success.

Coca Cola offers compensations, professional and personal development work life balance to its employees. It also provides:-

Learning solutions and training- variety of training activities through learning centers and learning market place intranet.

Internet job market- all vacancies are advertised internally (job rotation and internal job opportunities).

Performance management- a system called investing in people which is aligned to the company strategy and planning process.