

# [Coca cola the company | commerce essay](https://assignbuster.com/coca-cola-the-company-commerce-essay/)

Organizations do not simply appears on their own, It requires proper planning and formal structure to ensure that organization will perform as expected. It is a social system formed by likeminded people, to achieve stated objectives or common goals of participants. Organizational design deals with factors and issues that should be considered, rules and processes that must be implemented. A successful organizational design helps to develop, implement and maintain effective organizational process, (Allan S. Gutterman).

Organizational design is more than just defining the formal structure of organization. (Allan S. Gutterman). it also includes management decision making process, values, policies, mission, vision, goals and purposes for which organization exists. Thus it requires creativity and careful planning to design structure of an organization. This creativity has led the organizational design to organizational architecture.

Coca cola the company: http://jobs. paktutorial. com/wp-content/uploads/2012/05/Coca-Cola. gif

Coca cola is a beverage company. It is manufacturer, distributor, and marketer for non-alcohol beverages and syrups. The coca cola company is truly global firm in real terms. Coca cola operate very smartly around the globe. It knows how to deal with changed culture, drinking habits and taste for specific beverages in specific regions. It thus used to changes its syrup formula and molds it according to taste and preferences of people in different regions.

There are five main factors that holds important place in success of coca cola.

Well recognized brand Around the globe

Consistently improving quality

Innovative and unique marketing program worldwide

Availability on large scale, almost in every region of world

Continuous stream of quality products e. g. Diet Coke (1982), Coca-Cola Vanilla (2002).

Probably, coca cola is the sole product that is universally relevant in every corner of the globe, the Company feels that it’s its responsibility is to ensure that with every single can or bottle of Coca-Cola sold and enjoyed, individual connections are made with their consumer.

## Organizational structure of coca cola:

Organizational structure of coca cola has characteristics of both mechanical and organic structure. The company has a centralized structure but recently there is a twist, it is moving from centralized to decentralized structure. Coca cola is well aware of how important it is to meet ever changing demands of customers. This realization has played key role in transition from centralized to decentralized structure of Coca cola.

Two main operating groups of company include corporate and bottling management. Corporate operations are also divided in different regions like America, Europe, and Africa North America etc. in order to be more responsive to local demands of customers in different regions, it’s will work a lot to allow and encourage decision making at local level. In this way, upper management can devote more time to long term planning rather than devoting time to short term and little issues.

Important decisions of company like financial human resource, innovation marketing strategy etc are centrally located within corporate division of company. In each region f company, some of these functions are performed on low level; most of the decisions are made by top management of company. For instance the decision to support world cup was made by top management, but local and regional branched were also considered important and were allowed to make advertising decisions. Such as they were asked to develop marketing strategies for local market

In 2004, new CEO, Neville lsdell introduced more complex interategrate mechanism. In order to recover from extremely growth rate or company, lsdell used team of top management to create a culture of innovation and decision making. Employees at lower level can be informed by face to face meetings.

Balance in organizational design is important as it allows some flexibility, as well as it will give organization some flexibility. The design of the company is hybrid or mixture of both organic ad mechanistic structure, and the company emphasis more on responsiveness. Recent research has revealed that company has 94800 employees, and more than five hierarchal levels of organization. Although the structure is good enough, company faces the communication problem. One survey revealed that company and people lack clear goals and objectives. While organization is trying to engage ore employed, that tall hierarchies will also create communication problems at the company.

From last two decades, many firms are founding it difficult to reach their financial objectives, due to recent ethical crisis associate with organization’s financial objectives. Warren Buffet served as a member of the board of directors and was a strong supporter and investor in Coca-Cola but resigned from the board in 2006 after several years of frustration with Coca-Cola’s failure to overcome many challenges. In 2000, company failed to make the top ten of Fortune’s annual “ America’s Most Admired Companies” list for the first time in a decade.

The company is committed to refresh everyone who had touched the business of coca cola. Thus company gained the status of well recognized brand around the globe.

Coca cola has great concern for social responsibility. The company is fulfilling all requirements of Corporate and social responsibility. it believes in transparency, honesty and integrity in business dealings, improved relationships with all stakeholders.

In its services for community, coca cola has provided scholarships to more than 170 colleges, and this number is expected to grow to 287 over the next four years. It includes 30 tribal colleges belonging to the American Indian College Fund. Coca-Cola is also involved with the Hispanic Scholarship Fund. So, the demand of more accountability has no clear impact on behavior of Coca Cola.

## Conclusion:

Coca cola is a very well reputed and well recognized beverage supplier all around the globe. It has hybrid structure of organic and mechanistic structure of organization. The company is committed to provide continuously improved quality products. To be more responsive to local demand of customers in different regions, coca cola allows local managers, at lower level to make decisions about changing demands of local customers to be more responsive, flexible and adaptive to change. The structure of company has centralized decision making as well decentralized to some extent. Some decisions are made by top management and lower level employees are engaged in decision making process by allowing them to decide about promotional or marketing strategy for their respective regions. Coca cola is in struggle to

Connect with more employees; this has created some communication problems for the company.

Company has enough potential to cope with different challenges and issues. Coca cola has great concern for CSR practices and believe on transparency, honesty and integrity in business operations so, the increased demand to accountability has no negative impact on coca cola, and instead it is contributing factor in improved performance by the company.