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**AN INVESTIGATION OF ORGANIZATIONAL CULTURE OF
ENTERPRISE, ON THE EXAMPLE OF THE “COCA-COLA” COMPANY**

Speciality 8.03060101 – Management of organizations and administration

ABSTRACT

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Master's research paper has been done at the management in manufacturing sphere department of the Ternopil Ivan Puluj National Technical University.

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GENERAL DESCRIPTION

The thesis of this master's research paper titled "An investigation of organizational culture of enterprise, on the example of the "Coca-Cola Company". Volume of graduation project is 112 pages.

Theme actuality. Modern management considers the organizational culture as a powerful strategic tool to target all departments and employees to common objectives. The two organizations, even working in the same conditions, may have a different culture.

Organizational culture can act as an effective instrument for providing attitude of staff on high performance and high quality work. Forming and maintaining a culture that would add value to the people working in the organization, helped to increase its efficiency and competitiveness, - is one of the most important strategic tasks of senior management.

Culture inherent in every form of human existence as it distinctive and compulsory features necessary attribute of any society. This culture serves as a specific way of organizing and development of human life, represented in the product material and spiritual labor in the system of social norms and institutions, spiritual values.

The relevance of the research topic stems from the fact that the knowledge that we receive in the course of training, largely focused on the study of theoretical aspects, and they, in turn, is not sufficient for use in practice. Therefore, most of the skills we have in the course of employment.

Management of the organization culture or organizational structure - one of the key concepts of management, closely linked to the objectives, functions, process management, performance management and the distribution of powers between them. As part of this culture of the entire management process takes place (information flows and management decisions), which involves managers at all levels, categories and professional specialization. The culture can be compared to the chassis management system of the building, built for all the processes occurring in it were implemented promptly and efficiently. Hence the attention that leaders of organizations are paying the principles and methods of the organizational culture of management, selection of types and species, study trends and conformity assessment organizations objectives.

Under the management of organizational culture refers to an ordered set of interrelated elements steadily for the operation and development of the organization as a whole. CMO is also defined as a form of division and cooperation of management, in which the control process is carried out on the respective roles, aimed at solution of tasks and achievement of goals. From this perspective, management culture is a system of optimal allocation of functional responsibilities, rights and responsibilities, procedures and forms of interaction between its member governments and the people working in them.

Creating the optimal structure of the head, for the correct operation of the entire organization, provides high-quality and timely fulfillment of the collective goals and objectives. Depending on how

CMOs formed depends participate in the tasks of each artist directly. Therefore, the creation of CMOs is the most important part of the head of the organization. The main factor in shaping the organizational culture of production management has long been a division of labor, the emergence of management functions. Joint labor, labor cooperation have created a new type of relationship that has emerged as the relationship between the participants in the production process between managers and subordinates. At the stage of machine production, there was a complete separation of the control functions. There were totally exempt from production functions heads. There is indirect control with the help of statements, reports, presentations, etc. Seeking feedback. All of this, and especially the growth of the scale of production, contributed to the rapid development of organizational management culture.

Organizational culture of the enterprise - these are fixed relationships that exist between departments and employees of the organization. It can be understood as an established pattern of interaction and coordination of technological and human elements. management culture characterized by the composition and informational interconnections of independent units or individual performers arranged in a coherent chain of command and endowed with certain rights and obligations. The number of units in the structure determines its levels

The relevance of the work lies in the fact that building an effective organizational culture is the most important task of modern management. In developing the organizational management culture is the pressure on the group of people with a purpose. And at the same time by means of this action takes place impacts on the environment, the surrounding world, interacts with the team. According to this it would be better to say that the impact is on the system - one of the elements which, just a collective of some employees of the institution.

The main **purpose** of this research paper is to improve the organizational culture at Coca Cola Company.

The main **tasks** of master research paper are the following:

- to describe the theoretical aspects of organizational culture and its importance;
- to examine the factors affecting organizational culture management in the organization;
- to analyze the company activity for several periods;
- to investigate the organizational culture at Coca Cola Company;
- to improve the organizational culture at Coca Cola Company;
- to find the ways to enhance the company activity;
- to conduct SWOT-analysis of the industrial and economic activity of Coca Cola Company;
- to explore the current trends and law regulations;
- to make decisions concerning organizational culture of Coca Cola Company.

MAIN CONTENTS

The introduction clearly states an area of research, justification and discussion procedures, the aim, objectives and the research methods.

Theoretical section contains the meanings and definition of organizational culture, concept of organizational culture, values and norms, properties and functions of organizational culture.

Culture is a social phenomenon that depends on the behavior of people and their interaction, and which manifests itself primarily at the level of behavior. Therefore the two organizations, even working in the same conditions, may have a different culture.

Organizational culture can act as an effective instrument for providing attitude of staff on high performance and high quality work. Forming and maintaining a culture that would add value to the people working in the organization, helped to increase its efficiency and competitiveness, - is one of the most important strategic tasks of senior management.

It is not always prevailing organizational culture contributes to the effective work of the staff. The reason may consist in the fact that the organizational culture is characterized by a low level of trust between employees and management, in the absence of the desire of employees to take responsibility, show initiative, adhering passive, waiting position.

Summarizing the material according to the methods of formation of organizational culture, we note that the lack of attention on the part of management of the organization in the process of formation of organizational culture in general and the natural development of the organizational culture (ie, problem solving "as available", without realizing the strategic role of social and cultural factors in the life organization) is ultimately the most important organizational worsening contradictions - inconsistency of individual and corporate goals.

In our first study, it was found that the collective dominant parameter is collectivism. This suggests that employees expect the participation of the organization in dealing with their personal affairs, that the company will protect their interests, there is a sense of duty and loyalty of employees, promotion will go exclusively within the organization in accordance with the experience, the leadership here use traditional forms of motivation. The lowest indicator is the power distance implies less dependence between subordinates and superiors. Also in such an organization leader must earn respect. A low power distance means that the gap between managers and subordinates is much smaller.

Research and analysis section refers to the introduction of Coca Cola Company, SWOT-analysis of the industrial and economic activity of Coca Cola Company, and analysis of organizational culture at Coca Cola Company.

The key for development of a quality motivation and rewarding system is to understand our

employees' needs. In Coca-Cola HBC Hrvatska, we regularly conduct quantitative and qualitative research on employee satisfaction. Based on the results, we develop action plans for further improvements of our motivation and rewarding system. We further adjust our system to current trends in the economy, the industry branch, our company's strategic plan, our department goals, and goals of individuals.

We differentiate financial and non-financial incentives. Our financial incentives include rewards for innovative solutions, rewards for employees of the quarter based on their achievements, annual and quarterly incentives for the realization of goals. Amongst Coca-Cola's very powerful non-financial motivational incentives there are personal development, the chance to achieve full potential, and the chance to be promoted. We are very proud of encouraging internal promotions, education, recognitions, achievements, challenges and responsibility, while also providing additional benefits for our employees.

Expectations of employees are clearly defined through performance standards, and required knowledge, skills and abilities that enable employees to successfully achieve their annual objectives.

In our company performance is monitored and measured through seven key achievement areas. These are management, business/financial, people development, leadership, relationship, growth and innovations and corporate and social responsibility.

Following the performance appraisals and defined development needs of the employees, the Training and Development department organizes relevant training and development programs. With approximately forty trainers, our major focus is on internal trainings. A part of those programs is delivered in our company, while some are organized within our Group, outside Croatia. We also train and develop our employees through external programs, in cooperation with national and international companies that have proven high quality in their services.

The selection of employees (the so-called selection process) in Coca-Cola consists of two basic parts:

Psychological testing: Psychological tests are a verified, objective and reliable measuring instrument that foresees the most probable behaviors of a person in future business related situations. The aim of this kind of tests is to get an objective insight into the character traits of a candidate that are important for successful completion of tasks at their future work place. Special preparations are not required for the testing; it is just important that you arrive relaxed and rested.

Selection interview: If you meet all requirements for the vacant position, after the psychological testing, a selection interview will follow. You might be invited to more than one interview, depending on the position we are hiring for. The aim of the selection interview is mutual introduction of the candidate and the employer, whereby the employer assesses the candidates' motivation, their competences and possible contributions to the company. Therefore, be open and

self-confident; show that you are aware of your advantages and fields for improvement, while expressing your level of motivation for the job.

Opportunities and threats of Coca Cola company:

Expanding noncarbonated category. Noncarbonated beverages is a dynamic category growing at a very fast pace. The Global noncarbonated drinks market grew by 7.5 percent in 2014. In the first quarter of 2015, PepsiCo reported a volume growth of 8 percent in the noncarbonated beverage sector.

Expanding bottled water market. Packaged or bottled water is one of the most dynamic segments of the world's food and beverage market. This rise is due to consumption trends favoring safety and health. The global bottled water sector grew by 8.5 percent in 2014. The segment of water-based, slightly sweetened, refreshment drinks is a growing market, with revenues of about \$10 billion annually. Flavored water is expected to represent a significant portion of the overall growth of the segment. Nestle leads the global bottled water market with a market share of 32.5 percent. PepsiCo, with its Aquafina capturing 10 percent share is in second position and Coca-Cola's Dasani brand water is the third best-selling bottled water with 8.5 percent market share.

Growth in emerging market. Russia, China and Brazil are key emerging markets for Coca-Cola. Demand for food and beverages in these countries have increased rapidly in recent years, driven primarily by the economic growth in these countries. Although data are unavailable by country, the unit case volume increased by 11 percent in 2016 for North Asia, Eurasia and Middle East mainly due to growth in China and Russia.

Strengthen brand image. The Coca-Cola Company uses high-profile sports events to promote its brands. Coca-Cola has been chosen as one of the official sponsors of the 2015

Rising raw material prices. Rising sugar and packaging material prices have a direct impact on the cost structure of Coca-Cola's products. With prices of key raw materials increasing, the profitability of the company could come under pressure.

Threat to carbonated beverage category. Consumers have started to look for greater variety in their drinks. They have also become more health conscious. This has led to a decrease in the consumption of soda or carbonated beverages. For example, for the first time in two decades, the number of cases of soda sold in the US dropped to 10.2 billion cases (a 0.7% decline) in 2015. Specifically, the flagship brand Coca-Cola was down 2 percent in volume in 2015. In recent years, Coca-Cola has been criticized for the high amount of sugar in its carbonated beverages, and has been blamed for contributing to childhood obesity. Coca-Cola's revenues could be adversely affected by a slowdown in the health-conscious carbonated beverages market.

Food Safety Issues. Food safety is going to be a key issue with evolving new products in the soft drink industry. Recently class action lawsuits were filed in Massachusetts and Florida last April

2016. The two lawsuits allege unsafe levels of benzene, a chemical linked to cancer, in certain drinks from beverage manufacturers including Coca-Cola, PepsiCo and Cadbury Schweppes. Another lawsuit was filed in May 2006 against the company, this time alleging that Coca-Cola products made in Mexico contained lead. The lawsuit claims that elevated levels of lead have been detected in the paint used to decorate the outside of glass Coca-Cola bottles, as well as in the beverage itself. Recent negative publicity due to high levels of pesticide residue in the carbonated beverages sold in India is another cause for concern. There is a wide negative campaign against using Aspartame as an artificial sweetener in diet drinks because of its health effects. All these food safety concerns could further depress demand for carbonated drinks and adversely impact Coca-Cola's bestseller.

Lack of innovation. Effective innovations, new product introduction, and the ability to respond with agility to changing customer and consumer demands are essential. These must be accomplished through the introduction of new products and formats that are successfully planned and executed. Coca-Cola has neglected product innovation over the last few years. PepsiCo's better adaptation to consumer health trends recently saw it overtake Coca-Cola in market value for the first time in 112 years. Innovation represents the largest single opportunity to drive profitable growth.

Porter's five force model helped us to assess the fierce competitive environment companies in the soft drink industry operate under and eventually enabled us to determine the key success factors required to be profitable. This analysis also showed how the five forces interrelate to determine the attractiveness of the soft drink industry. The findings from the external analysis also helped us to identify opportunities and threats. Now it is time to thoroughly evaluate Coca-Cola's internal capabilities to compete.

Recommendation section includes the recommendations concerning organization culture, recommendations for economic activity improvement at Coca Cola Company and recommendations for economic activity improvement at Coca Cola Company.

The Coca-Cola Company has an organised structure that foster employee involvement in all its aspect except for decision making which is considered to be a relatively inadequate decision-making practice in a global company of that nature. The company's decision making practice does not match with any of the company's practices, the company operate on a decentralized practices only for the decision-making.

The company can improve its decision-making practises firstly by frequent switch of directors to handle relevant tasks, this will enable them to think outside the box in given suggestions to the board on decisions. Secondly, the company should operate decision open door policy by involving voluntarily employees in suggesting to their various line directors on their ideas on how to go about

solving a proposed problem and also to propose on possible problems that are about to erupt. This will give decision-making board the ability to widen their possibilities on solutions and to tackle small problems before growing bigger. Leadership, passion, integrity, collaboration, diversity, quality, and accountability. Our central promise at The Coca-Cola Company is to refresh the world in mind, body, and spirit, and inspire moments of optimism; to create value and make a difference.

Recommendations For Health And Wellness Trend. It is very clear from my analysis and survey of literature that health and wellness continues to be a major trend sweeping across the global beverage market, especially in Europe and North America. PepsiCo is moving forward with commitment to provide industry leadership in the health and wellness arena. For example, one of the key initiatives is PepsiCo's smart spot product support as a national sponsor of the YMCA activate America on the move. PepsiCo launched the Smart Spot symbol, the first of its kind designation that makes it easier for consumers to identify PepsiCo's products that can contribute to a healthy life style. The Smart Spot symbol meets established nutrition criteria based on authoritative statements from the US FDA and NAS. The smart spot symbol logo appears on more than 250 brands across PepsiCo's products including Tropicana, Aquafina, Gatorade, Quaker Oats and Diet Pepsi.

The recommendation for Coca-Cola is to move forward with commitment to provide industry leadership in the health and wellness arena. Coca-Cola should do a better job of staying in touch with shoppers and consumers and in the process of innovating and creating value. This is absolutely essential for value creation in the beverage industry. I think the most important driver behind the demand for beverage is population demographics. Two key segments of the market, the baby boomers and the young generation are shaping the future of the beverage industry.

The aging boomer generation is more focused on preventing certain health conditions, and is more likely than other generations to increase its consumption of healthy foods and beverages, and avoid problematic ingredients such as sodium and sugar. On the other hand, the younger generation demands new age sport drink and energy drink. Coca-Cola's failure to understand this market need resulted in missing the opportunity to buy Gatorade brand.

Increased Competition From PepsiCo. For more than a century, Coca Cola and PepsiCo vied for "throat share " of the world's beverage market. The most intense battles in the so-called cola war were fought over the \$66 billion CSD industry in the United States. Even though PepsiCo is an archrival of Coca Cola few people realise that PepsiCo is one of the largest and most diverse food companies in the world, with annual revenues worth more than \$35billion and soft drinks only account for a quarter of this sum. With its key umbrella brands of Tropicana, Quaker, Frito-Lay and Gatorade sitting alongside Pepsi itself, the company is a global marketing machine, operating in 200 countries outside North America and managing 17 brands that each generate \$1 billion or more in

annual sales. In conclusion, competition from PepsiCo will remain a threat for Coca-Cola for years to come.

Recommendations for increased competition from PepsiCo. As the cola war continues into the twenty-first century, Coca-Cola faces very stiff competition from PepsiCo. The issue is a very serious threat to Coca-Cola because of PepsiCo's dominance in the growing noncarbonated beverage sector. Moreover, for the first time in their long, competitive history, PepsiCo overtook Coca-Cola in terms of its market capitalization in December 2016. Coca-Cola fell slightly behind at \$97.9 billion to PepsiCo's \$98.4 billion – a change that industry experts credited to PepsiCo's policy of diversification and investment in new health conscious brands (Food Beverage Report, 2016). The recommendation for Coca-Cola is to develop strategies to win the cola war in this century. Winning the cola war in twenty-first century is critical for Coca-Cola to maintain its industry leadership position and to be a total beverage company. 8 Lack of innovation Effective innovation and new product introduction and the ability to respond with agility to changing customer and consumer demands is essential, and it must be accomplished through introduction of new products and formats that are successfully planned and executed. Coca-Cola has neglected product innovation over the last few years. In the North American market, Coca-Cola has not created a best-selling new soda since Diet Coke in 1982. In recent years, Coca-Cola has been outbid by its rival PepsiCo for fast growing noncarbonated beverages like SoBe and Gatorade. PepsiCo's better adaptation to consumer health trends recently saw it overtake Coca-Cola in market value for the first time in 112 years. Innovation represents the largest single opportunity to drive profitable growth.

Recommendations For Lack Of Innovation. Increased competition from the key players and a more health aware consumer base reflects the current constantly changing market condition in the beverage industry. Coca-Cola, the market leader in the beverage industry has been criticized widely for not taking an active role in leading this industry change because of failure to innovate. Coca Cola has attempted some diversification into different products. For the most part, however, success has arguably cannibalized some of the company's own sales. There are more than 11 types of Coke on sale including vanilla, lemon and lime flavors. However, brand extension achieves only more choice for the same consumer. Coca-Cola's attempt to introduce the Dasani brand in the UK and Powerade in North America, has not been very successful. PepsiCo, on the other hand, has successfully moved into snacks, energy drinks and bottled water. When PepsiCo realized that its own cola was failing to compete with Coca-Cola, it implemented a strategy that was flexible to the demands of the market. With sports drink Gatorade, Aquafina water and Tropicana fruit juices in its portfolio, PepsiCo has most bases covered. Further, it takes advantage of its move into snacks with its Frito-Lay product by arguing it can offer better margin and profit potential to large supermarkets, thereby demanding more shelf-space.

Conclusion includes a summary of organization culture research at Coca Cola Company.

SUMMARY

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“An investigation of organizational culture of enterprise, on the example of the “Coca-Cola” Company ” [Manuscript]: a comprehensive thesis for obtaining the qualification of master's degree 8.03060101 / Afeni Oluwakayode Franced; TNTU. – Ternopil, 2017. – 112 p.

Master degree thesis consists: 112 pages, 3 figures, 14 tables, 3 additions, 40 references.

The object of investigation is the organization culture of Coca Cola Company.

The aim of the work is paper is to improve the organization culture of Coca Cola Company.

Research methods cover the statistical method and comparison analysis.

The meanings and definition of organization culture, concept of organizational culture, values and norms, properties and functions of organizational culture have been described. The introduction of Coca Cola Company, SWOT-analysis of the industrial and economic activity of Coca Cola Company, and analysis of organization culture of Coca Cola Company have been done. The theoretical recommendations concerning organization culture, economic activity improvement at Coca Cola Company has been proposed.

Keywords: culture, organization culture, employee culture, Coca Cola Company, organizational structure, SWOT-analysis, and culture management.