

The Coca-Cola Company

Major Report

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Introduction

Per your request, we have conducted research regarding organizational behavior throughout the Coca-Cola company. This document will provide an overview of our data collection, along with analysis for proposed solutions to the identified problems. After reading this document, you will have a better understanding of Coca-Cola's internal relations through specific employee feedback.

Overview of Organizational Conflicts and Motivational Systems

From our inception, Coca-Cola has been dedicated to delivering superior quality beverages that are affordable and easily accessible for everyone around the world. Since 1886, we have grown to offer over 500 products in 200 countries. This has allowed us to gain the largest market share in the soda production industry, compared to our competitors Pepsico and Dr. Pepper Snapple Group Inc. Our company has been known for our strong internal culture, although as with any company we face challenges based on a few key issues. Kirk Freese, the manager of the Columbus, Indiana location, stated in a phone interview that "there are multiple divisions for Coca-Cola, and the company has a hierarchy structure. If someone in the marketing division needs information on the concentrate that goes into our products, they contact franchise development in order to get information." This is a small insight on the current organizational structure of Coca-Cola. We believe in a clan structure within our company where all employees assist one another efficiently and effectively. In order to determine if this is a structural problem for Coca-Cola, we have collected data and analyzed it below in order to identify where these issues lay for future change.

Data Collection Process

To properly analyze and evaluate conflict within the workplace, we distributed anonymous surveys on March 2nd, 2018 to numerous employees within the Coca-Cola company. Our primary data was collected from employees in the Columbus, Indiana and Phoenix, Arizona locations. We received 21 responses, surpassing our goal of 15. This sample size gave us a diverse amount of responses and positions within the company. The respondents held various job positions such as data entry, truck drivers, merchandisers, managers, and warehouse employees. We asked a range of questions relating to the core problems we have identified: the amount of years spent with the company, whether or not the employees received job training, their overall job satisfaction, and the work environment of their specific location.

The majority of the questions were asked on a 1-10 scale format, which allowed us to collect more specific data for analysis. We believe that asking for data on a scale format allowed us to organize the data more precisely. "Yes or no" responses can create shallow answers and limit employee feedback. Through the collection of this data we were able to analyze and evaluate the Coca-Cola Company's organizational design. We will further discuss the results of the data throughout this report.

Data Analysis

Variation of Results

Of the 21 respondents to our survey, we received a variety of responses to each question. Due to the questions being phrased in a 1-10 format, many employees answered on all ends of the

spectrum. We first found there to be significant variation between the results from employees in different positions (Refer to Figure A). Our responses reached employees from different divisions within Coca-Cola, including drivers, merchandisers, and managers. We found that those in lower-level positions rated their experiences differently than those in higher stature positions. This discrepancy could be due to the higher stress that accompanies upper management, where there is more on the line and larger groups of employees to handle. A study found that the supervisor-employee relationship is the most commonly reported source of stress in the workplace for 60 and 75% of employees (Donaldson-Feilder, E., Munir, F., & Lewis, R. 2013).

Additionally, 50% of our respondents said they have been with our company for 5 or more years (refer to Figure B); of this percentage, 33% have been with Coca-Cola for over 10 years. This speaks to our culture based upon the high retention of employees who have stayed with us long-term. However, we must focus on continually retaining those employees and future ones by focusing on issues they state are prevalent. In the survey, those who said they have been with the company for 5 or more years also stated that they felt more stressed when interacting with colleagues and their superiors (refer to Figures F & H). The variation seen in the data collected shows the disconnect between our employees' expectations and workplace culture.

Workplace Communication

Coca-Cola is one of the most popular companies in the world, employing over a hundred thousand people (Coca-Cola, 2018). Implementing a positive work environment that fosters diversity and innovation has kept the company running smoothly for over 100 years. The Coca-Cola company strives to inspire others, make a difference, and refresh the world; we rely on and leverage a global talent pool of employees to provide the best products and services to our customers.

To stay competitive in the soft drink industry, having an organizational design that encourages teamwork and collaboration is essential to our success. To motivate employees, we implement a bottom-up approach; everyone is encouraged to propose new ideas. Even though a hierarchical structure is in place for our top level employees, we want to make sure all employees are comfortable communicating with their respective management team.

In the survey distributed to Coca-Cola employees, one question we asked was the type of communication they used with their superiors (refer to Figure G). Of the 21 responses, one person said there is no available communication, 12 said open-door, and 8 said all the above (email, open-door, or text/phone). We recognize that the responses are not consistent, which can lead to poor communication with upper management.

To combat this issue, we asked a separate question about how stressed the employees felt when communicating and interacting with superiors. To collect more specific data for analysis, we implemented a 1-10 scale (1 low stress, 10 high stress) for the answers. Of the responses, 14 people answered between 1 and 3, 1 person was in the middle, and 6 people were between an 8 and 10 (refer to Figure H). This shows a strong disconnect between lower level employees and management. To get the best out of the team and encourage a collaborative environment, Coca-Cola needs to ensure a safe environment where no one is intimidated to speak up.

Workplace Environment

To encourage strong communication amongst employees and management, the company needs to implement a workplace structure that fosters collaboration and a positive work environment. Many companies around the world are introducing new workplace designs to build cohesion in a creative atmosphere. This maintains our competitive advantage in the industry. We want to be able to leverage different employee strengths to meet our company's expectations.

As companies shift towards a collaborative workplace design, we want to make sure our employees are satisfied as well. Our office spaces need a combination of space that fosters teamwork but also provides individualism and privacy if needed. We want the mood to be positive, so we have implemented a design that aligns our brand mission and that positivity. At Coca-Cola, we are moving away from the "one person-one desk" idea and shifting towards a technique that gets people moving and interacting with their coworkers.

Employee benefits

We reviewed employee feedback of their benefits on Glassdoor, and found there was an overall satisfaction rating of 3.8/5. Most notable were vacation & paid-time off, 401K plans, and health insurance. Most positive comments included information about our 401K plans, which includes matching up to 3%. Dissatisfaction in the comments revolved around the health insurance; most found it mediocre for the price. Other unique perks include an on-site doctors office, bank, and fitness center. All benefits add to the employee experience and contribute to the positive atmosphere we try to implement within our company (Glassdoor).

Overall Employee Satisfaction

Workplace design, workplace communication, and employee benefits all have an effect on the satisfaction of Coca-Cola employees. To progress as a company, we need to find areas of dissatisfaction and resolve these issues. Of the 21 survey respondents, 42.9% are very satisfied, 38.1% are somewhat satisfied, 9.5% are neutral, 4.8% are somewhat dissatisfied, and 4.8% are very dissatisfied working for Coca-Cola (refer to Figure I). This translates into 4/21 employees feeling dissatisfied or neutral towards their experience. According to Witt (2001), "Workers who perceive procedural injustice are likely to reduce, if not lose, their emotional attachment to their employing organization". Whether the procedural injustice be related to salary, benefits, or communication with superiors, employees need to have a clear understanding of how decisions are being made to stay satisfied within the company.

Why it matters

While a majority of our employees are content with their jobs, there is still a prevalent disconnect. Below, we have identified minimal job training and organizational conflict as the two main issues contributing to the problem. These negative experiences have a direct correlation to overall employee satisfaction working for Coca-Cola. We have proposed possible solutions, risks, and a timeline for implementation to resolve these issues. As we have mentioned previously, it is critical to cultivate a positive environment to sustain our competitive advantage in the industry.

Problem 1: Job Training

The employees we surveyed mentioned that they do not receive enough job training to execute their tasks effectively. Given this information, we see that the amount and frequency of training depends on each position. For example, it's fairly typical for bulk route drivers to not receive periodic training because of the nature of their work, however this is still an important aspect of our business. On the other hand, departments such as management and sales may need more frequent training based on the consumers' evolving needs.

Antecedent

Coca-Cola may not train our employees frequently because of the cost associated with this. On average, companies spend \$1,200 to train each employee annually, this could be enough for human resource managers to decide against frequent training (Forbes). Since Coca-Cola only does annual review performances, associates and managers come together to set goals and outline a plan, it makes sense that employees feel unprepared and disconnected from management.

Solution

Although training has many costs, if it is done correctly the company has a high payoff for investing in their employees. It is also important that training is done even after the initial hire. Ann Bartel, an author with The Journal of Economics states, "According to the theory of human capital, investments in training lead to increases in worker productivity". If an employee feels like the company is investing in them and they are a key attribute to the company, they will increase their productivity and work ethic.

Our proposed solution to lack of job training is to have initial training upon hire with a simulation that each employee must pass before moving on to their role in the company. In addition, every employee in the company will receive quarterly training after their hire date. Coca-Cola is currently holding annual training sessions between lower level employees and their supervisors, which is not enough based on our survey responses and the correlation between job training and stress at work.

According to our surveys, the responses were not consistent in employee training. A question on our survey asked, "Do you receive job training and if so, how often?" There were 7 individuals who responded they never received training, 4 individuals received it as needed and the rest were around the 6 month mark (refer to Figures C and D). These responses should be the same across the board, even if the employees are in different departments. Trainings should be held quarterly because processes change daily so employees need to be on the same page. Each "training" session may not involve hands on training of their specific job, but it will entail pertinent information to successfully complete their work. These mandatory meetings will encompass the entire company, especially of managers because they are leading our teams.

Timeline

Coca-Cola can start implementing this training process by the beginning of 2019. This gives us time to budget for the training and also allow current employees sufficient time to plan for the quarterly trainings. We want to enforce a schedule that will create an efficient training process

for our associates. This means associates will meet with managers at the beginning of the first quarter to set objectives/goals and outline a plan for training and enrichment. After the second quarter, they will take an annual performance review to benchmark the progress and assess their performance against their set goals. The conversations between managers and associates will continue throughout each quarter to ensure the proper training is completed within the year.

Risks

One potential consequence of enforcing quarterly training is that employees may not take it as seriously as the company intends it to be. This will not only waste time, but also money. We mentioned earlier that the cost prohibits us from training more frequently so if we choose to put our money towards this, we would like to see a return on investment in the form of our improved employee performance. This means our employees would have to take this process as seriously as upper level management does. According to Cropanzano with the Journal of Management, associates need to “form distinguishable social exchange relationships with their immediate supervisors because employers will return the benefits they receive.” This means that in order for job training to be successful, all employees need to perceive the training as a benefit in order to see a return on investment.

Problem 2: Organizational Conflict

Another organizational conflict that arises for employees at Coca-Cola is the stressful work environment. Working in large corporations can often be stressful due to the high magnitude of the work. However, making sure our employees are comfortable working with their coworkers and supervisors is essential to having an efficient workplace.

Antecedent

In a study done by Wright State University on the classifications of stress at work, it was found that intrapersonal relationships is one of the leading causes for stress in the workplace. This includes conflicts, feedback, and communication. Looking at the data we collected from our surveys, a third of the employees felt more stressed when they interact with their coworkers and 29% feel stressed when they interact with their superiors (refer to figures F & H). Furthermore, the two most common jobs that experience the most stress, especially when interacting with superiors, are salesman and warehouse workers. Although Coca-Cola has an open-door policy, employees need to still feel comfortable enough to communicate with their superiors to address conflicts or receive feedback.

Solution

Our intern team proposes that Coca-Cola takes part in 360 degree feedback. With this technique, it allows employees to anonymously express how they feel about other employees as well as examining themselves. The feedback would be anonymous to the extent of not knowing the exact names but it would be required to specify their department. By doing this, the company can locate which department has the most stress and possibly change the way they accomplish daily tasks to help reduce stress. Baldwin and Ford with Personnel Psychology states “Evidence shows that feedback is a critical element in achieving learning and that timing and specificity are critical variables in determining its effects”. The individual aspect of the 360 degree feedback allows the employee to find internal issues they need to work on instead of blaming others for

their stress. Questions can range from how well they work with certain job positions or what they think needs to be changed in the daily routine of the company.

Timeline

This solution is cost friendly and can be implemented in Coca-Cola's new quarter. Given today's technological environment, managers should digitally distribute 360-degree feedback forms. This is a good starting point for the company to assess what may need to be changed in order for all the employees to work together effectively and efficiently.

Risks

A possible risk to the 360 degree feedback is stirring up more trouble than fixing it. Trying to get to the bottom of something can be messy and may do more harm than good. Some employees may get their feelings hurt if they receive feedback they think is not accurate. This can cause more stress and issues between co workers which can lead to people quitting or filing complaints with Human Resources.

Communication

The solutions to our organizational conflicts will not be accepted by all. Every individual handles change differently. Here at Coca-Cola, we will support all of our employees through ambiguous times. The foundation for smooth transitions lies in proper communication. To assess the current quality of communication we need to look at our resources, processes and values (Overdorf, 2016). Each of these components affect how efficiently Coca-Cola can adapt to change.

Resources

Resources can be tangible such as products, workers and facilities as well as intangible, such as our brand and leadership. "Coke" is the second most well known word in the world and is one of our biggest resources. With the wide range of resources we have a higher chance of successfully coping with change. Resistance will rise in situations that lack of resources.

Processes

With our adequate resources, we must transform them into the appropriate goods or services. At Coca-Cola we look to our consumers and shareholders to appease their demands. As a soft drink manufacturer we must ensure that our manufacturing process is clear to all the parties involved. Our employees must understand their position and that is done through communication from upper management. Similar to our resources, processes can be easily defined such as manufacturing but there are also behind the scenes negotiations that go on to create the processes visible to our stakeholders such as our values.

Values

Values are the third aspect contributing to a company's ability to cope with change. It is important to us that our employees feel their value with us is recognized. At Coca-Cola we clearly state our values so that our highest level executives and intern teams know what we are working towards. Every member of our team brings a unique perspective to our culture. Witt (2001) states, "When employees see unfairness in the decision-making process, they may believe that their loyalty is misplaced, and they may emotionally withdraw from the relationship." Our mission and values include, collaboration, integrity and accountability from all of our employees.

Without the consistent effort to maintain and communicate our values, Coca-Cola's employees would likely be more resistant to change.

With the use of our resources, development of smooth processes and guidance from our values, Coca-Cola employees will feel confident in the decisions made by upper management. Strong communication must be enforced during the hard and easy times to combat the organizational changes we wish to see.

Conclusion

Based upon our data collected by respondents, we found a difference in internal views of our company culture. We then identified our two main issues as lack of job training and stress in the workplace. With our recommended solutions, we believe these problems can be fixed to increase employee satisfaction in the future and better our company as a whole.

Appendix

Figure A

What is your current position?

21 responses

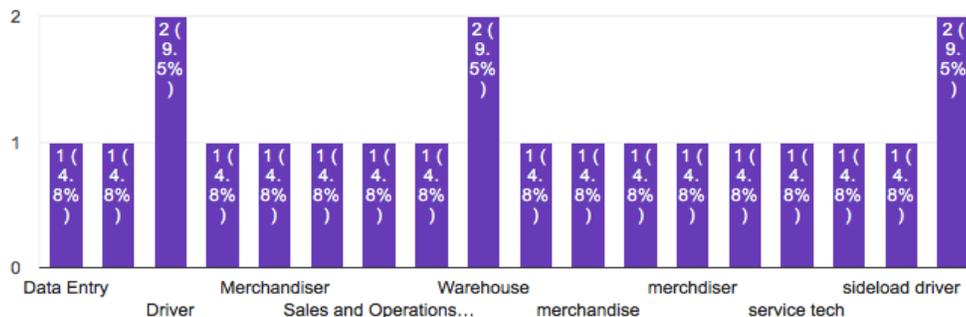


Figure B

How many years have you been with Coca-Cola?

21 responses

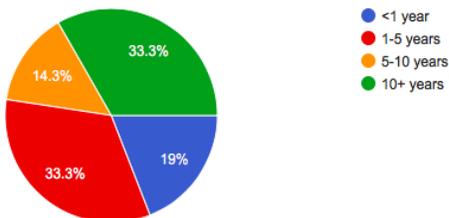


Figure C

Do you receive job training? If so, how often?

21 responses

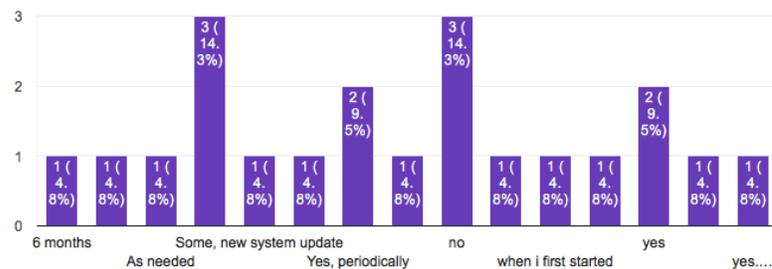


Figure E

How much do you agree with the following statement: Coca-Cola is unorganized in the way it deals with everyday tasks.

21 responses

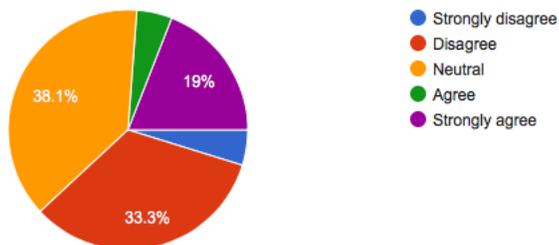


Figure F

On a scale of 1-10, how stressed do you feel when interacting with coworkers?

21 responses

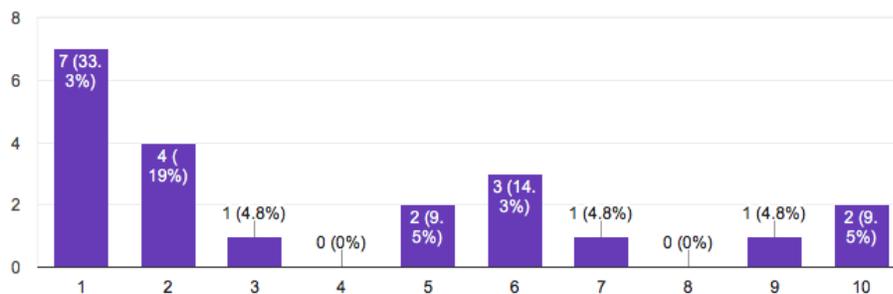


Figure G

How do you interact with your boss? (Email, Open door policy, etc?)

21 responses

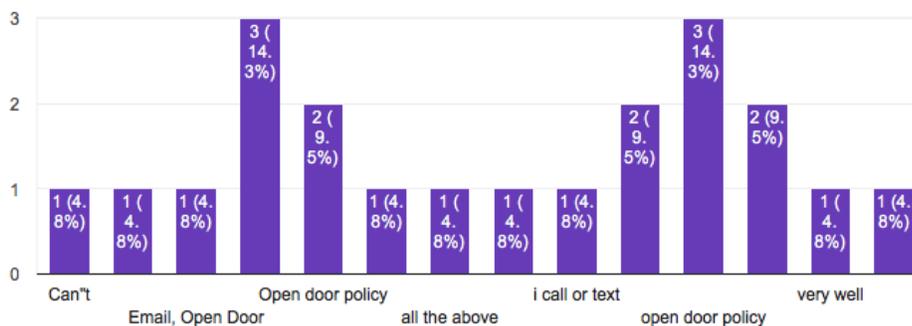


Figure H

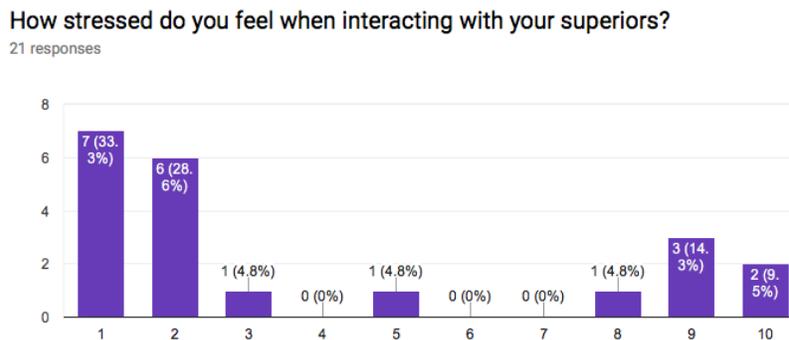
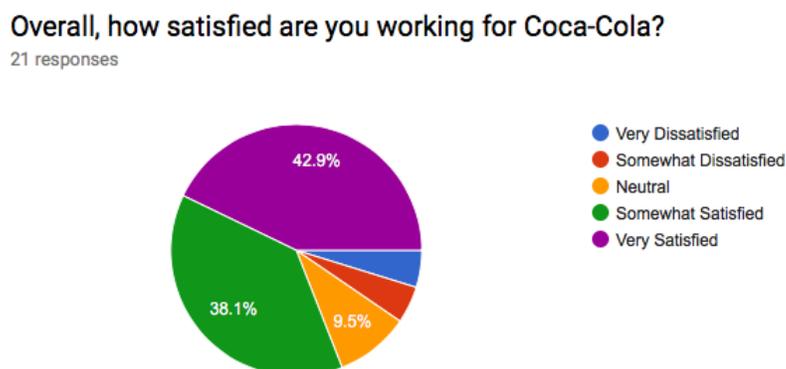


Figure I



Phone interview questions for Kirk Freese:

- 1.) How would you describe the structural organization of Coca-Cola?

There are multiple divisions for Coca-Cola, and the company has a hierarchy structure. If someone in the marketing division needs information on the concentrate that goes into our products, they contact franchise development in order to get information.

- 2.) How do lower level employees interact / contribute to upper level management?

I am accountable for working with director of operations for all Krogers. Coke has become more centralized but yet more customized. Smaller bottling companies won't go out and have 20 teams because the Columbus location only has one. There are seven franchises and they are accountable for all actions. They report marketing to me, and I have access to all concrete numbers, sales, revenue, overall national reporting system that's wired in directly to software.

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