



The Impact of Change Management on Organizational Performance in the light of global changes: A Case Study of Coca-Cola Company

Eng. Hatem Mohammed Alshmrani

Projects Manager, MBA in Process, Universidad Catolica San Antonio de Murcia (UCAM)
hatem_022@hotmail.com

Abstract: Change has become a necessity for development and success. There is a set of successive changes that are not limited to the external environment but affect many internal organizational work aspects. Coca-Cola is an American company for soft refreshments. It was established in 1886 in the U.S.A by pharmacist John Stith in his lab. It's known as a leading company for producing a variety kind of soft drinks. The firm has applied several change management techniques to maintain itself in the global market. The company faced many challenges and problems in many countries and faced aggressive competition from its biggest competitor, Pepsi, and other challenges from the political, social, and economic environment. The company met several internal difficulties in its production, marketing operations and developed multiple strategies to move from the uncertain situation by adopting change management models. The company handled many challenges of sustainable development. It produced its products in a recyclable way and compatible with customers' needs by making products free of sugars and sodium. The company managed the current Corona (Covid -19) crisis by reviewing its production operations & supply chain and restructuring the company in more than one country to confront the pandemic and fulfil all concerned parties' desires. In this research, all of the above have been analyzed in detail, and many recommendations have been developed accordingly for additional continued improvement with full citations.

[Hatem Mohammed Alshmrani **The Impact of Change Management on Organizational Performance in the light of global changes: A Case Study of Coca-Cola Company** *Nat Sci* 2021;19(4):76-91].ISSN 1545-0740 (print); ISSN 2375-7167 (online). <http://www.sciencepub.net/nature> 11.doi:[10.7537/marsnsj190421.11](https://doi.org/10.7537/marsnsj190421.11).

Keywords: Chain Management, PESTEL analysis, Covid 19-forces, Change Management Models, Barriers to Change.

1- Introduction

Organizational change has become an essential part of any organization and cannot be avoided. Change is the transformation from one state to another. (Moran, 2012). It introduces improvement or development to the organization differ from its current situation to achieve its goals professionally. There are many drivers for change, including the continuous advancement of technology, internal processes, acknowledgment of risk, consumer preferences changes, rival force, acquiring and alliances, and company restructuring. (Coca-Cola, 2019).

Coca-Cola is an American enterprise for soft beverages and water. It was founded in 1886 in Atlanta, New York, after being designed by pharmacist John Stith in his laboratory by combining Coca-Cola syrup with sparkling water. Coca-Cola acquired the title of the most valuable brand. (Shaw, 2018).

Coca-Cola Corporation is considered one of the earliest enterprises in the world. It has operated within various local and outside changes since it has been created. The firm has used methods of change management to sustain itself in the market. Coca-Cola has been the governing soft-drink firm during the 20th era for its unbelievable flavour and fashionableness. Coca-Cola has a novel method, which is business confidence. Coca-Cola is so essential throughout 200 nations. Reference to the Greatest Brand 2015 news, Coca-Cola is classified as the third most worthy brand after tech behemoths like Google and Apple. (Coca-Cola, 2019).

By 1919, when the company's shares went public, the brand was already in the process of pushing Coca-Cola towards its current market leadership position. The famous company regularly bought many competitors one by one, and its shares kept rising 11% annually, making it one of the best investment opportunities. Thanks to its global network of franchised bottling plants that use

concentrated syrup, The Coca-Cola Company can sell its popular products in nearly every country in the world. (Vizard, 2020).

In this research, the Key roles of Change Management in Coca-Cola will be discussed in detail along with the effect of change management on Coca Performance especially light of global changes.

2- Research Problem

Through the preliminary study, the researcher found a lack of clarity about the role played by Coca-Cola in managing change, especially in light of environmental changes. Despite the existence of studies and reports, the external and internal motives for change in the company are not clear. There is also no clarity about the impact of external factors such as Covid 19 on the company's organizational performance.

The researcher is motivated to conduct a theoretical study to clarify the motives for change in Coca-Cola, the change models adopted by the company, its impact on the company's overall performance, and the obstacles to change and how the company overcame them.

3- Research Objectives

By reviewing studies, articles, publications, and books related to the topic of study, the researcher identified the main objectives of this research as follow:

- 1- What are the Needs for change Coca-Cola Company?
- 2- What are the External & Internal drivers for change?
- 3- What are Change Management Models adopted by Coca-Cola?
- 4- What are major types of changes its implications on the organizational performance?
- 5- What are the barriers to change, and how Coca-Cola Company overcomes them?

4- Research Importance

This research reveals the spearheading role that Coca played in endurance and coherence despite outside conditions and worldwide issues like the Corona pandemic. The study will explain the kinds of change models that Coca has effectively adopted. This research will assist different organizations with creating components to decrease resistance from change through a contextual analysis of Coca and a setting of fitting suggestions to oversee transition viably.

5- Research limitation

This research has theoretically driven to investigate the role of change management in Coca-Cola by gathering and analyzing studies, reports, periodicals, and books to represent an initial picture of Coca-Cola's performance. However, the researcher is looking to conduct an analytical study to evaluate overall all performance in Coca-Cola. This research has been applied in March 2021.

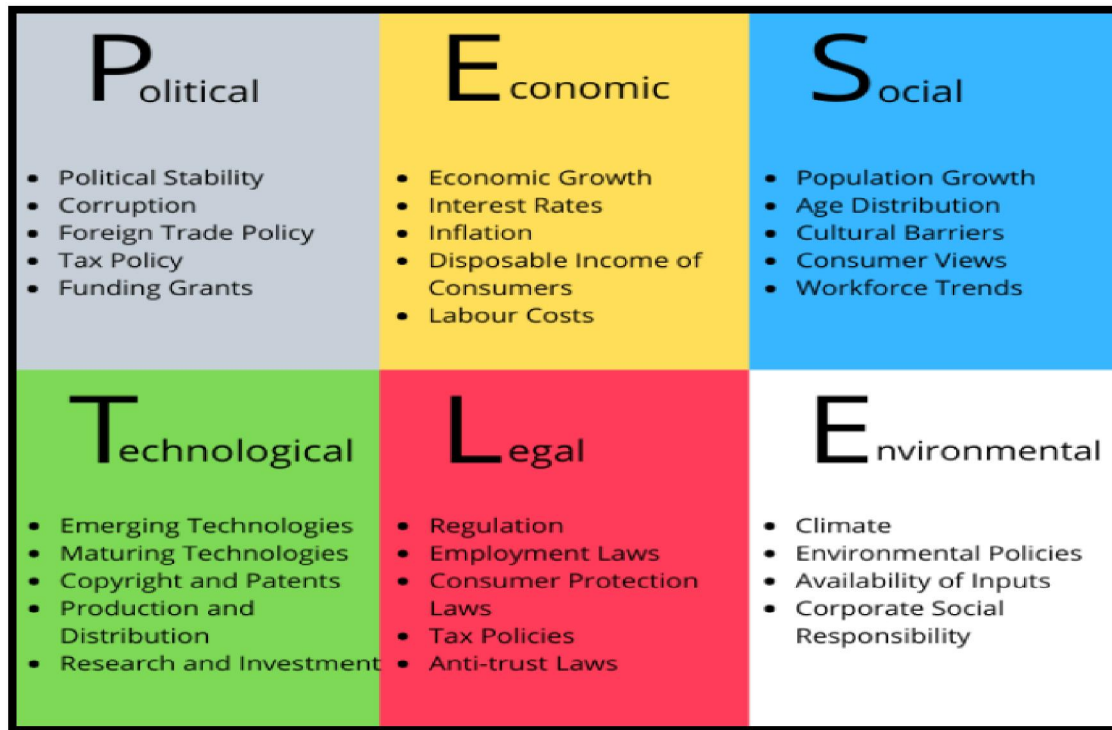
6- Theoretical frame work

A- The Need for change Coca-Cola Company

There are multiple causes led to Coca's change within the organization, such as the technology used, the administrative structure, the culture pattern prevailing among the employees, and external ones related to the different environmental conditions. (Amjad & Rehman, 2018). Market forces and legislation are among the most important reasons for the need for change at Coca. (BOYCE, 2021). The company is also facing challenges from competitors such as PepsiCo and other international soft drink companies and the ever-changing tastes of consumers who care about physical health and diet products. (Marengo, 2019).

External Drivers for Change

There are several factors led to organizational change which have been classified in two External Forces for Change (EFC) & Internal Forces for Change (IFC). Below the explanation of (EFC) forces: (Saleh, 2020).



(BOYCE, 2021)

Political factors

Coca-Cola firm is a non-alcoholic refreshment corporation that falls below the supervision of the Food and Drug Administration. (White, 2017). This governmental power is a central power of the United States accountable for preserving society's well-being by assuring that right and reliable data is made possible to the company. This authority decided the manufacturing products methods, so any business that fails to meet the government's specifications can face penalties. Simultaneously with the FDA's directions, Coca-Cola has to follow several other government authorities' rules to guarantee that employees' health and safety are maintained in the organization. In addition to that, Coca-Cola has to maintain compliance with various other legislation such as tax policies, profession limitations, environmental rules, employment laws, accounting criteria, etc., to keep confident work conditions and cover all its works placidly. (Jurevicius, 2013).

Economic factors

Many economic circumstances such as stagnation, tax rates, inflation, interest rate, etc., also affect the Coca-Cola Company's trades. Coca-Cola works internationally, and it is anticipated that the economy's global extension will break down by 2.6 % at the end of this year. Along with this, instabilities in the clearinghouse rate of various

currencies also affect Coca-Cola working globally. In addition to this, there are growing costs of several raw supplies such as synthetic and fuel that may influence Coca-Cola's lower accumulation revenue. However, analyzing the market and customers' buying power is crucial for Coca-Cola's annual profits. (Farooq, 2019). (Farooq, 2019).

Social factors

These forces are represented by customs, traditions, principles, values, and patterns of demand for the organization's products due to the change in consumers' desires and tastes. The social changes caused the company to reconsider all its plans and future directions because the customers became more aware of their health. They preferred healthy products low in sodium and sugar. (Kayabaş, et al., 2017). That is why the company launched various new low-calorie products to meet its customers' desires, such as Seven Diet and Coca Zero. During the Corona crisis, the company also emphasized the quality and efficiency in raising the human immune system's efficiency. Coca-Cola has diversified its products in the market, as it sells more than 500 products in more than 200 countries. (Stavroudi, 2020).

Technological factors

Technological changes played a significant role in Coca-Cola directions. (Coca-Cola, 2019). The firm reviewed all its plans and future trends. The company

relied on modern production technology in all its logistical processes, from production, packaging, and distribution. It also used technologies to share the customer experience as Coca-Cola successfully invited millions of fans through its social media platform. (Albrecht, 2020). Coca-Cola expands strategies to ensure its brands are available on one click" as online shopping continues to grow due to COVID-19. The company also spends on high-quality content - photos, videos, and product descriptions to ensure its brands appear online. The company is continually doing offers on all its goods and supports its clients to purchase online, and the firm has around 96 million Facebook followers. The firm page is more dynamic than before. It also has digitized segments of its operation; including supply chain management, to improve efficiency and profitability (Howard, 2017). The firm team interacts on Twitter with three million fans to instantly answer their consumers' tweets. (Khalid, 2012).

Environmental factors

Environmental regulations played a strategic role in Coca-Cola practices. (Bulbulia, 2020). According to the rules and laws, the company re-manufactured its products to protect natural resources and the whole environment. (Farooq, 2019). Hence, it also tried to benefit from the recycling process products by developing protection and tracking systems for environmental pollution to ensure environmentally friendly products. Indeed, environmental awareness has increased within the

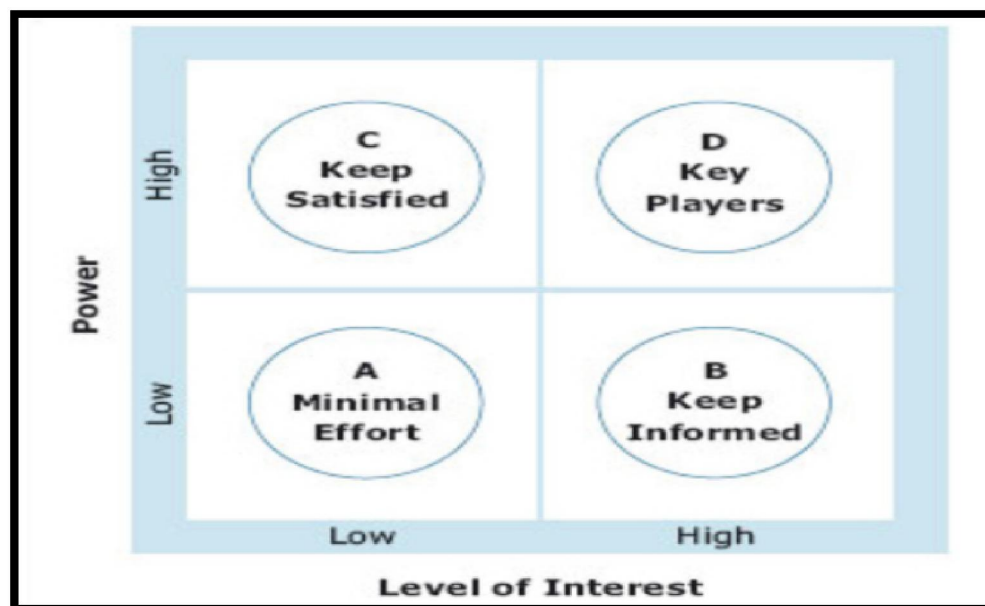
company, especially during the period from 2018 until now. (BOYCE, 2021).

Legal factors

There is a set of mandatory legislation on the firm by the FDA and other regulatory governance. Besides the FDA legislation, there is another law like the Federal Trade Act, Food legislation, Environmental Protection laws, etc., which influence Coca-Cola's plans. (BOYCE, 2021). The firm assures that assent with all legislation is supported in all activities. Also, the company's name is built on the confidence of the workers and their consumers. Coca-Cola also adheres to the United Nations Declarations various principles and presents its workers' rights to maintain an ethical business condition. The firm also outlawed young workers and forced labor in the organization to comply with different labor rules. (Pratap, 2016).

Stakeholders Involved

The company has multiple stakeholders worldwide, including customers, suppliers, governments, companies, etc. Due to the increase in their numbers and the diversity of their opinions and orientations, the company has studied their needs. In 2019, the company collaborated with 400 NGOs and hosted 20 / states in Athens to share with all stakeholders the best approach for proper development and improvement. It also ranked the stakeholders and their needs as follows. (Stavroudi, 2020).



(Rahman, 2017)

Competitor forces

I will summarize the raging conflict between Pepsi and Coca-Cola by presenting parts of the history of the "Cola War" between them. When pharmacist John Smith Pemberton invented the caramel drink and added carbonated water in 1886, he did not know that two big companies like Pepsi and Coca-Cola would compete for his product this way, even after more than a hundred years. (Jurevicius, 2013).

In the early 1980s, Pepsi made its most significant marketing move in history when it deployed its cameras worldwide, calling for passers-by to take on the Pepsi Challenge. (Bhasin, 2021). This challenge relied on presenting two cups of Pepsi and Coca-Cola in transparent cups without prior knowledge of any brands' subscribers. The participant tastes the two cups and decides who will prefer them. It was an overwhelming result for the blue giant Pepsi. Pepsi is calling on the masses to "let the taste determine what you want to drink. (Butler, 2020).

The Coca-Cola Company has collapsed catastrophically. (Butler, 2020) The main reason is that Pepsi contains more sugar, which increases the individual's instantaneous happiness when tasting. Unlike Coca-Cola, which relies on the shape of its bottle and its happy life promotions, Because of the losses, Coca-Cola decided to stop producing its classic product, and a new product was introduced with higher sugar content. This angered Coca-Cola fans, and the company's sales collapsed more than before. (Marcos, 2021).

Pepsi succeeded in attracting temporary fans with its famous challenge, but it failed to bring fans. Global awareness of the health problems caused by excess sugar in drinks has increased, affecting Pepsi's market share significantly since 2013. (Butler, 2020). The Coca-Cola brand has risen in strength again. The Coca-Cola Company introduced its new product, "Coca-Cola Diet." The classic product captures 17% of the soft soda market, Coca-Cola Diet has 9.4% of the market, and Pepsi is in third place with only 8.9%. (Elijah & Millicent, 2018).

According to Fortune magazine, snacks make billions on Pepsi annually. Because of the product diversification strategy that CEO Steve Rein has adopted since his tenure. PepsiCo's net profit jumped from 6% to 14%, and the company's net profit in 2005 reached 4.5 billion. Of sales, its origin is \$ 32 billion. PepsiCo shares rose 33%, while Coca-Cola fell 30%. (Coca-Cola, 2019).

Pepsi has a market value of \$ 155 billion. As for Coca-Cola, it is \$ 25 billion behind its rival. In 2015, Coca-Cola's net profit reached \$ 8.7 billion, out of \$ 44.2 billion, but Pepsi outperformed it in its other fields by 1.5%. Experts expect an increase in these percentages, and Coca-Cola will continue to occupy the soda spot only. (Jacobsen, 2020).

Reference to (ali, 2015) The Coca company got more advantages over than Pepsi, the results indicated that Coca company get 3.71 while PepsiCo got 3.56.

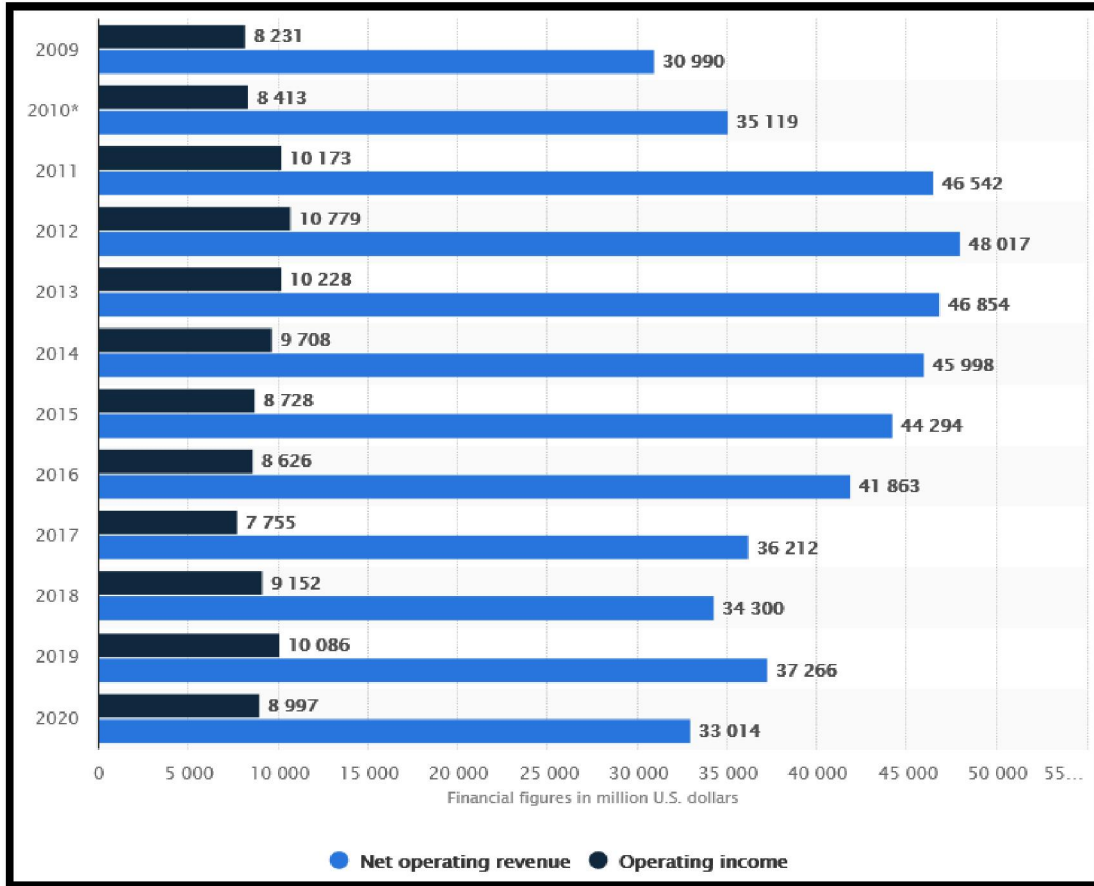
Critical Success Factors	Coca-Cola			Pepsi	
	Weight	Rating	Weighted Score	Rating	Weighted Score
Market Share	0.15	4	0.60	3	0.45
Price Comp	0.10	3	0.30	3	0.30
Financial Position	0.12	4	0.48	4	0.48
Product Quality	0.15	3	0.45	3	0.45
Product Lines	0.15	4	0.60	4	0.60
Customer Loyalty	0.15	4	0.60	4	0.60
Employees	0.11	3	0.33	3	0.33
Marketing	0.07	3	0.21	3	0.21
Total	1.00		3.71		3.56

(ali, 2015)

Finally:

The company made a complete study on other competitors and identified all their strengths and weaknesses, and one of the most prominent strengths in PepsiCo was constant communication with

customers and providing low-sugar products and drinks, and as a result, the company's revenues and net operating income were affected, as it was better in 2012 compared to 2020. (Conway, 2021)



(Conway, 2021)

Covid 19-forces

Most analyses indicate that, before the pandemic, consumer demand for soft drinks witnessed a wave of challenges resulting from the growing consumer awareness and consumers' regulation of their consumption trends. The Coronavirus outbreak may support those trends, supported by the increasing sensitivity of consumers to high prices due to Manifestations of economic recession. (Albrecht, 2020).

Reference to a report issued by "CNN," the spread of the virus resulted in a delay in the company's supply of artificial sweeteners produced in a factory in China and that the company uses widely in its manufacture sugar-free drinks. During the Corona crisis pandemic, many companies with operations in China were forced to suspend work in their factories, causing shortages in supplies and supply chains worldwide. (Chavez, 2021).

The company's top executives began looking at new alternative supply plans. However, the continuation of the crisis may lead to a shortage of supply. (Valverde, 2020) The company has taken more preventive measures to protect our employees in China by providing more medical masks and sterilizers and using devices to measure temperatures in offices or factories to protect the employees. (Wiener-Bronner, 2020).

The company indicated that the volume of its composition might decline by about 2-3%, with an expected decline in revenues by about 1-2%, with an anticipated decline in earnings per share in the first quarter. As it decided to reduce its activities and brands and will lay off about 1,200 of its employees in the United States. (maloney, 2021).

Also, the company's shares fell by 13 percent this year due to the "Corona" pandemic, which led to the closure of stadiums, cinemas, and other events

that witness a large gathering, which accounts for half of its sales. (Fauzia, 2021).

Revenue declined by 28% in the fourth quarter for the company. According to a report published by the Australian latest published information "ABC News," the organization is working to decrease its trade sectors from 17 to 9.. (Hussain, et al., 2016).

The company realized the necessity to deal with the crisis through:

- Change in machinery, products, production lines, and other technical methods. Change in employment structures, business functions, and labour relations.
- Change in the procedures followed at work. (Wallace, 2020).
- Change in the relationships of authority, responsibility, status, and influence.
- Change in the organization's essential functions, such as production, marketing, finance, and individuals' interactions. (Coca-Cola, 2019).

Internal Drivers for Change

The forces within the organization's scope exert different pressures for change, and that the organization's management can control them. The internal forces driving change are a reaction to the external forces. (Wallace, 2020).

Structural change

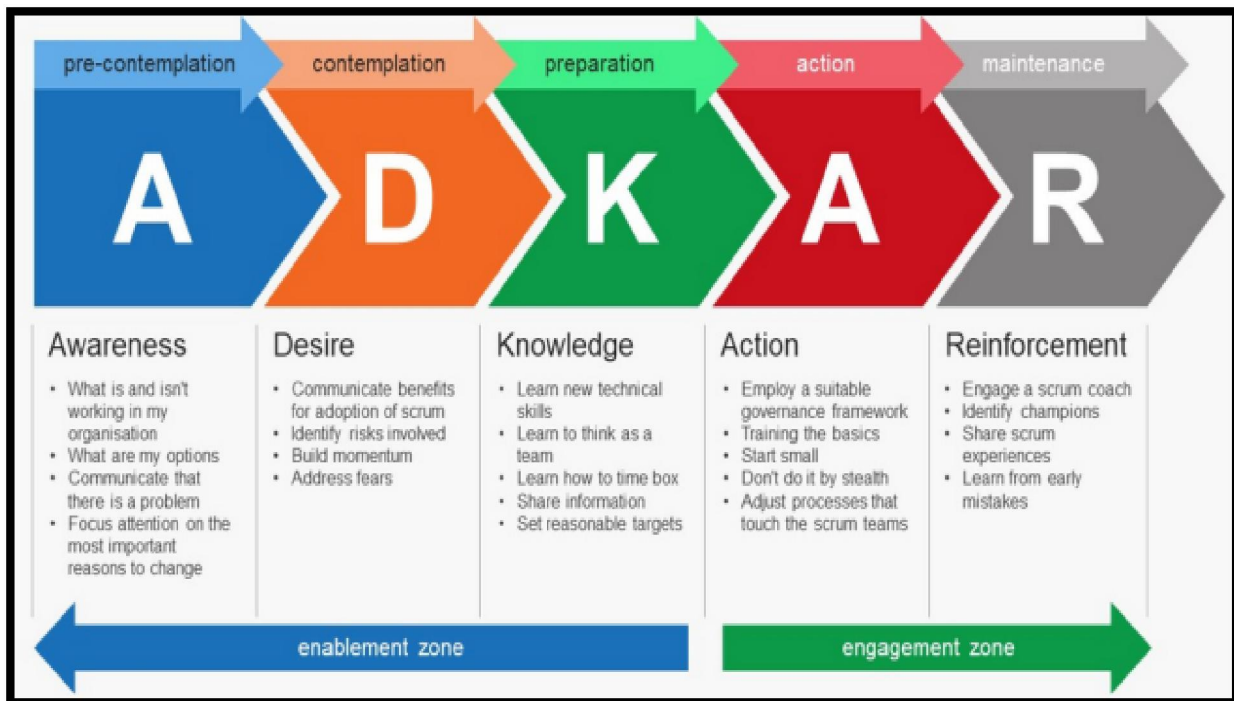
The company faced many pressures from its employees due to the enormous burdens and

functional tasks. So, the company decided to restructure it to achieve its employees' desires along with its strategic objectives. However, the company did not neglect the employees who will be laid off but assigned those temporary tasks, allowances, and other benefits and prepared a clear job description with specific duties and responsibilities.

The company faced many pressures from its employees due to the enormous burdens and functional tasks. So, the company decided to restructure it to achieve its employees' desires along with its strategic objectives. However, the company did not neglect the employees who will be laid off but assigned those temporary tasks, allowances, and other benefits and prepared a clear job description with specific duties and responsibilities. (Salaky, 2020)

Operating expenses forces

Operating expenses are the expenses that companies incur during their business operations. Typically, operating expenses include rent, tools, inventory costs, marketing, insurance, payroll, and funds allocated to research and development. One of the usual responsibilities that management must deal with is determining how to reduce operating expenses without significantly affecting its ability to compete with its competitors. Due to the high capital expenditures, the company reduced expenses in 2017 and prepared partial change committees to prioritize the costs and exclude useless cost. (Cosgrove, 2020).



(Rudd, 2011)

Implications of Non-Responsiveness

Ignoring the internal and external forces of change leads to many organizational problems within the company. It may direct to a drop in the markets and the loss of a large percentage of its target market share. It may also lead to a decrease in the rate of capital turnover and gross profits. Therefore, the company should study all internal and external change forces and develop long and short-term response plans to ensure achieving its strategic objectives and maintain all concerned parties' satisfaction. (Jacobsen, 2020).

B- The Need for change Coca-Cola Company

A.D.K.A.R Change Management Model

It is a model created by Geoffrey High. This model focuses on the people behind the change. It is a useful tool used mainly to aid in communicating and clarifying an idea of change. This model consists of 5 elements as follows: Awareness (of the need for change). (Matern, 2020).

- Desire (to participate and support change).
- Knowledge (about how to change).
- Ability (to achieve the needed skills and practices).
- Reinforcement (to keep the change)

In case of Coca Company

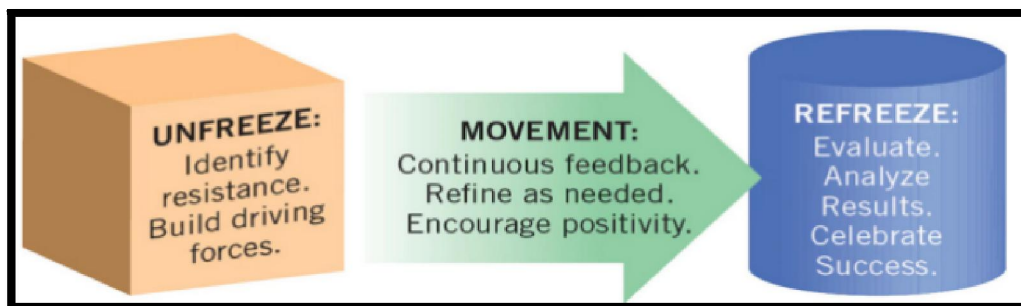
- **Awareness** of the necessity to change- in Coca-Cola, workers, stakeholders, and customers are notified of the changes, particularly in the supervision, just like selecting Shaun B. Higgins as the new director of The Coca-Cola firm 2005. (Rudd, 2011).
- **Desire** to engage and encourage the change- the staff in Coca-Cola, particularly the people in the administrative role, engage in the changes that the firm needs to know, like adjusting the packaging of Coca-Cola. (Coca-Cola, 2019).
- **Knowledge** means the degree of managers' awareness of the change and its importance and benefits, requiring building a common organizational culture among all employees that

emphasize change's benefits to maintain its market share. The company has formed committees from employees who have various analytical skills to develop a complete strategy for examining the SWOT analysis. (BOYCE, 2021).

- **Ability:** Apprehending how to do something does not inevitably indicate that you could do it in the actual (Hassan, et al., 2014). The ability means implementing the planned changes at the specified time. The implementation may be partial or complete. (Bhasin, 2019). The company has implemented many changes in the size of packages, types of products, drinks, and snacks. In addition to the change in its operating systems and advanced technology, in 2020, the company introduced many changes to electronic support systems. It established an internal communication network to ensure rapid communication with all concerned parties. (Chavez, 2021).
- **Reinforcement:** The Company's management was keen to enhance its position in the American, European, and Arab markets permanently and continuously through continuous improvement in quality and meeting the desires of customers and stakeholders, as well as adhering to environmental laws and legislations. In 2020, the company was keen to enhance the affiliation to its products through Immediate response to all inquiries on the company's website, Twitter and Facebook. (Kritsonis, 2005).

Lewin's Change Management Model

Psychologist Kurt Lewin proposed one of the earliest models of change. Change is a process that involves all companies, institutions, and governments, regardless of their size or nature of work. Our world is changing rapidly, and so change in any organization is considered a necessity. Institutions that handle change well thrive, while those that lag may fail. Lewin's model of change shows that organizational change has three stages as below: (Cummings, et al., 2016).



(Tracy, 2020)

Unfreezing

This stage is crucial, and it plays a significant role in the change process's success (Sarayreh, et al., 2013). Often, change fails due to neglect of this stage. This stage aims to make the institution ready to accept change by showing the current situation's defects and the importance of making corrections and adjustments. It also requires preparing an opening to new knowledge, competencies, and modern technology, through training and preparation. Directors at the Coca-Cola firm can stimulate their staff in the "unfreezing" stage by notifying them of the value of planned change in all aspects. Training the staff members can make them more capable of acquiring the transformational stage. (Kritsonis, 2005).

Moving

At this stage, the individual learns new ideas, methods, skills, and knowledge, so the employee's behavior will change and performs his work in a new way. At this stage, an actual change and modification of duties, tasks, performance, techniques, or the organizational structure is made, and Lewin warns against rushing to take this stage at an unreasonable speed because that would lead to the high resistance to change the current situation, and the phase is accompanied by confusion, confusion, and a mixture of a sense of security and anxiety. (Burnes, 2019).

In the "moving stage," the firm can begin reasonable steps concerning change's strategic goal. It can be accomplished by establishing effective connections and giving effective compensation to enhance their beliefs and performance. (Hussain, et al., 2016).

Refreezing

This stage aims to stabilize change by helping individuals integrate the attitudes, ideas, and behavior patterns they have learned into their usual work methods. Reinforcement should be used along with additional training and development programs. Coca-Cola firm incorporated new change as an

essential component of their plan to not go behind its earlier used operational practices. (Morrison, 2014).

C- Three Major Types of Changes its implications on the organizational performance

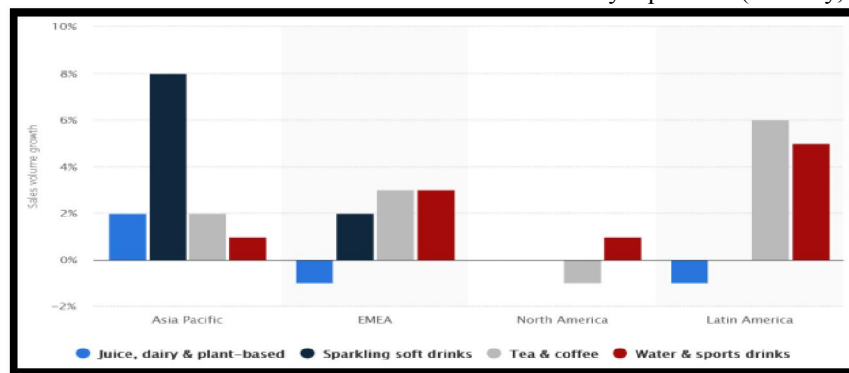
The organizational change includes any deviation from the past (Elijah & Millicent, 2018). This change may be automatic by its nature without planning or direction or it may be a planned change that can be controlled and directed towards intended and predetermined goals. There are several basic changes that the company has made as follows:

Complete recycling (world without waste and Impurities)

The company focused on providing its products through 100% recyclable packaging, and the company announced that it would start in Sweden to launch these products (Bulbulia, 2020). The company confirmed that in 2025 all its packaging would be safe in all countries of the world by introducing secure manufacturing technology and reviewing the results of research and development. That is why the company developed an integrated plan to shift from the current situation to a better international position regarding environment, organization, and operation. (Elkin, 2021). After the company announced the new change by 2025 to 2020, its market share increased in addition to the increase in the price of its shares in global markets, to 48.88 dollars per share. (Marcos, 2021).

Diversification strategy

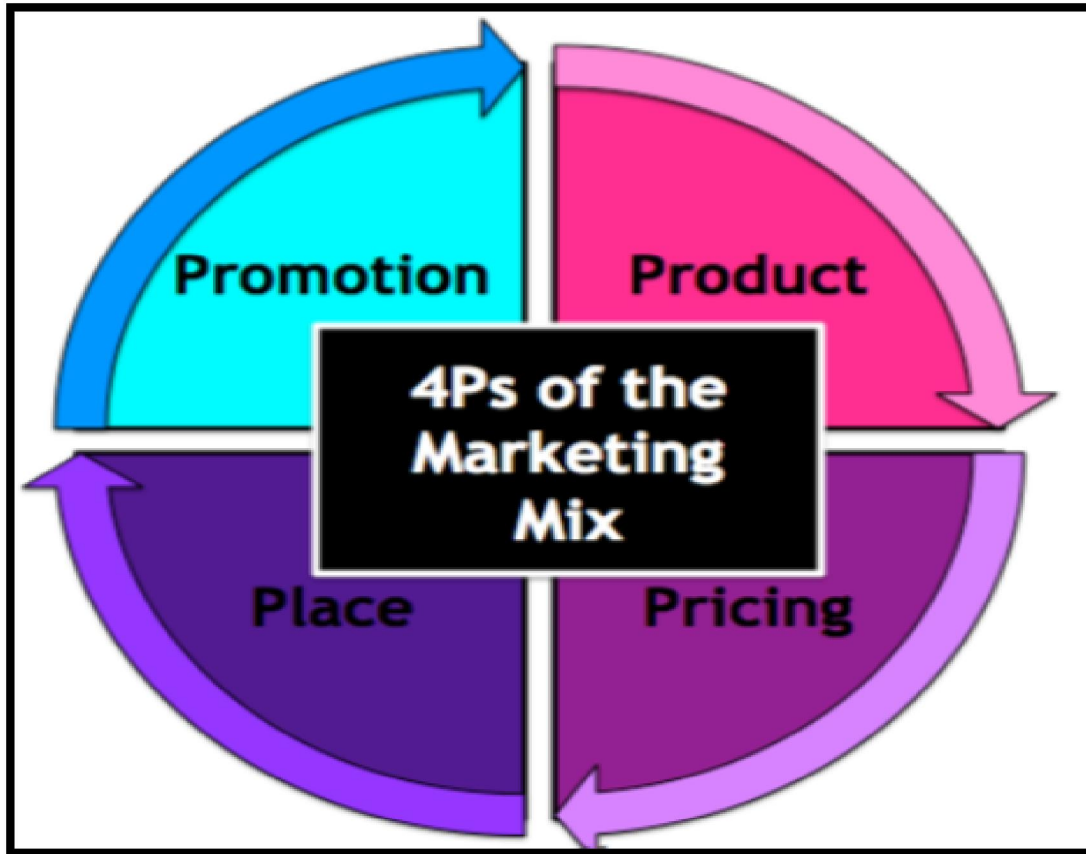
The firm diversified its products by adding the taste of coffee to many of its products to meet customers' desires and expanded in providing snacks besides drinks in many East Asia and American countries. The company also carried out many initiatives and celebrations of its anniversary and took advantage of these events to announce its new goods. (Kayabaş, et al., 2017). In 2019, Coca-Cola Company's shimmering soft beverages in the Asia Pacific area increased by approximately 10%. Concerning Latin America, tea and coffee sales size increased by 6 percent. (Conway, 2020).



(Conway, 2020)

Market Segmentation and Marketing- Mix (4Ps)

Market segmentation helped in identifying appropriate products and services that a specific group requires of customers (Naibaho, et al., 2020). The thing that has been worked out in Coca-Cola is that it does not direct its products to a particular class of customers. On the contrary, it has adapted its marketing strategies to cope with all groups through delivering suitable products that suit most groups and meet their needs. (Chiemelie, 2017). The company develops new effective marketing mix as below:



(Cohen, 2019)

Products:

The organization has the most extensive portfolio in the beverage industry, with 3,300 products. The drinks fall into diet drinks, 100% fruit drinks, processed fruit drinks, water, energy drinks, tea, coffee, etc. (Pratap, 2017). According to many statistics, Coca-Cola is the number one brand in soft drinks, juices, and bottled water in 2010. And it has a presence in the global markets of about 200 countries. (Kayabaş, et al., 2017).

Price:

Due to the availability of a wide range of products, pricing is made according to the market and geographical segment. And each Coca-Cola subsidiary brand has a different pricing strategy. Their pricing strategy is based on competitors' prices, and Pepsi is Cola's direct competitor.

Place:

Coca-Cola is the favourite brand in the world for many people and is therefore available worldwide. The Coca-Cola distribution system follows the pattern of distributing consumer goods. The efficient cola distribution network has eroded the small and medium market players. (Mayureshnikam & Patil, 2018).

Promotion:

The Coca-firm adopts various advertising and promotional strategies to increase market demand by linking lifestyle and behaviour and primarily targeting value-based advertising. The Coca-Cola Company also uses Corporate Social Responsibility as a marketing tool to create empathy in consumers' minds. The company also allows price cuts and allowances for distributors and retailers, and it uses different types of sales to push more products into the market. (Hassan, et al., 2014). By adapting the above the company achieve the following points:

- Raising the level of performance, achieving a high level of motivation.
- Reducing costs through efficiency, effectiveness. (Coca-Cola, 2019).
- Increase the organization's ability to innovate and learn. (Burnes, 2019).

Change to Acquisition

The Coca-Cola Company utilized its financial resources to expand in the global market. It announced that it had reached an agreement with the British company Whitbread to buy Costa cafes' international chain for 3.9 billion pounds (5.1 billion dollars). The expected Coca-Cola acquisition will add a scalable platform with technical expertise in a rapidly growing field. Costa ranks as a leader in the UK coffee industry and has a growing footprint in China, among many other markets. Costa has a strong presence with Costa Express, which offers quality coffee in various locations on the go, including gas stations, cinemas, and travel centers. Costa, in its various forms, will be able to expand with customers through the Coca-Cola system. (Iyengar, 2018).

Reorganize work

The company has used a flexible organizational structure instead of a bureaucratic one and has arranged its logistical operations and redesigned manufacturing and packaging operations to be consistent with quality through the flexible production system. In 2020, the company was granted many privileges and focused on recruiting the best talent. (Salaky, 2020). The company undertook a phased change whereby the change's overall objective was divided into sub-goals. All sub-goals could be achieved during the specified period for the general change plan. In 2020, it made a complete change: all the essential elements of the organization, such as individuals, groups, goals, organizational structure, methods used in work, and technology. (Cosgrove, 2020).

Changing in Communication System

In 2011 and now, the company has continuously updated its communication systems to ensure the speedy transfer of information between all concerned parties. It has also surveyed the opinions of employees and customers through many methods available on the company's website and other communication sites. It also involved its employees in the decision-making process because the responsibility for change is not limited to senior management but extends to all administrative levels and organizational units in the organization. The success of the corporate change process depends on the efficient distribution of tasks and responsibilities. (White, 2017).

All of the above led to an increase in the company's production efficiency and effectiveness,

and it achieved good competitive advantages. Still, the emergence of the Corona crisis once again affected its productivity. Nevertheless, the company tries to study external and internal variables on an ongoing basis. (Amjad & Rehman, 2018).

D- Barriers to Change and overcoming techniques at Coca-Cola

Resistance to change may be related to the extent of individuals' awareness and understanding of change goals and objectives. (Darmawan & Azizah, 2020).

Coca firm faced many methods of resisting change in America and East Asian countries. The most reason for workers' resistance to organizational change was their belief that the change was not successful and staying in the current situation is better. Studies indicate that the individual's inability to understand the current situation's weaknesses and the failure to perceive the new situation's advantages constitute a significant obstacle to change within the company. (Sharma, 2014). The lack of confidence of the line manager in his subordinates and the lack of knowledge of change's objectives were the most important reasons for resisting change within the company. Other factors also contribute to resistance, such as lack of adequate information about the change, lack of workers participation in the change process, fear of the unknown, losing their job benefits after the change, lack of awareness of the importance of change. The informal organization within the company has strengthened the resistance to change: it tends to raise doubts about the management's intentions and highlight the negative possibilities arising from the change. The company realized that dealing with overt resistance (protest, leaving work, etc.) is much easier than dealing with covert resistance (absenteeism, slow completion of job, an increase in wrong tasks, etc.) due to the difficulty in identifying the parties and dimensions of the covert resistance. (Fleming, 2019).

Reference to (Amjad & Rehman, 2018), Coca Company has developed 4 stages to overcome any resistance as below: (Rudd, 2011).

A) The stage of preparing for change:

- Determine the need for change. Diagnose the current situation and identify problems.
- Determine the organization driving the change.
- Determine the causes of resistance to change and how to treat them. Persuading individuals of the need for change.

B) The change planning phase:

The Coca Company identified the areas of change and its objectives and determined the time required for the modification and the distribution of tasks to the implementing agency.

C) The implementation phase of the change plan: Explanation of programs to employees.

- Test the change project on a small scale.
- Implement the change according to the scope of the established procedure.
- Supporting change. (Howard, 2017).
- Follow-up and guidance.

D) The change evaluation stage:

The company made sure that the goals were achieved, and it also studied the causes of failure and identified deviations. (Burnes, 2019).

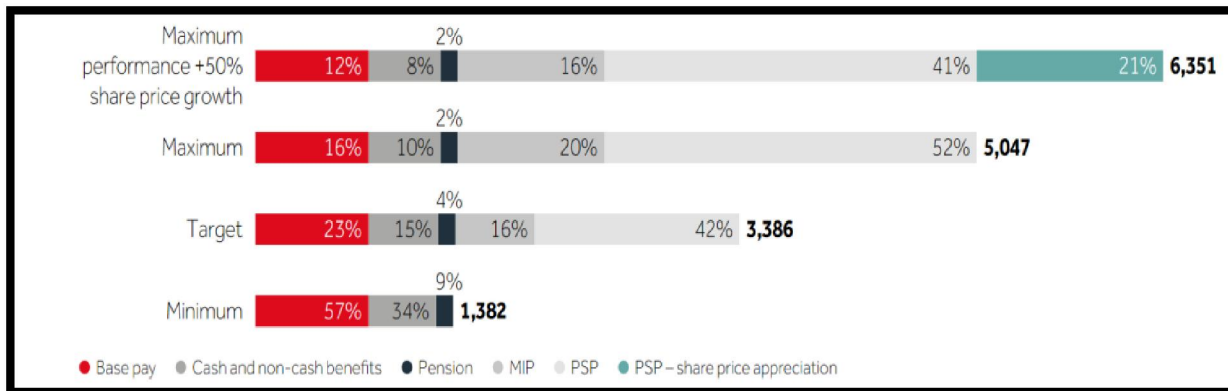
The company has developed advanced training programs for its employees to raise sufficient awareness of the benefits of change and answer all their inquiries regarding the new change. In 2011, the company launched seven complete workshops to develop employees' career paths and improve the quality of performance for 147 participants from its employees within the company. The company also simplified the organizational process and developed a complete integration and harmony between the various departments and administrative units to achieve the organization's goals. The company encourages creativity among all organization members and gets rid of all forms of conflict causes to unify efforts to achieve the its goals. (Morrison, 2014).

The company used the management by objectives methodology through the participation

between top management and workers in defining the goals and expected results. It also set performance measures for all its employees in all countries. (Butler, 2020). In 2019, Coca Company defined four fundamental performance measures, quantitative, productivity, profitability, survival& growth, to measure performance and compensate for the highest performance through applying balanced scorecards for control and follow-up.

The company focused on producing the most significant possible number of products at the lowest cost and highest possible quality by using the new intelligent manufacturing model in all its logistical operations to ensure quality and reduce levels of resistance to change. (Harper, 2019).

The company concentrated on the concept of work teams, set common goals, formed many committees, and ensured that tasks are not duplicated by applying the RACI chart. In 2016, it prepared a complete study on the expected risks and developed response strategies to deal with them. (Río, 2021).The company used encouraging messages for its employees and emphasized that the remaining employees are one of its most important priorities. The company also developed a possible compensation chance for the CEOs by applying three reward components under three specific performance situations: 'Minimum,' 'Target,' and 'Best.' As below (Coca-Cola, 2019).



(Coca-Cola, 2019)

Conclusions

This research represented various applications of Coca-Cola for managing its change by adapting several change models. By investigating different kinds of literature. Coca-Cola has initiated numerous exercises to guarantee the proper change management of its various products and service .The current study objectives are: To provide a brief introduction on the coca company background, analyse the need for

change at the company, and determine the STEEP factors that affect company performance. This assignment has also explained how coca company manages its supply logistics in Covid 19 and.

The results showed that coca has a lot of chance to increase its market share, especially it has enough resources and qualified staff worldwide. The company now relies on comprehensive recycling in all its actions. Some authors have speculated that the

firm broadened its outcomes by combining the flavour of coffee to multiple of its goods to satisfy consumers' aspirations and extended in presenting bites besides juices in East Asia and many countries. The company has made integrated studies by identifying all internal and internal variables that affect its performance and has also analyzed employees' behaviour to ensure the extent of their response to any changes and identify the causes of resistance. The company also suffered various requirements from its workers due to the significant difficulties and practical duties. So, the firm determined to restructure it to reach its employees' wishes and strategic goals. The result also indicated that the Coca company focused on studying its working costs and incorporating rent, machines, inventory costs, purchasing, security, payment, and reserves assigned to investigation and improvement.

The company also analyzed its stakeholders and developed a proper plan to engaged them on-time manner. The Coca adapts A.D.K.A.R Change Management Model to persuade its employees about the value of change in all aspects.

The results intimated that among the most prominent features of change within the company were marketing mix elements commensurate with its customers' needs and desires. It followed a diversification strategy in its production lines and provided high-quality products and low calories.

The organization has formed unique education plans for its workers to grow the satisfactory experience of the advantages of change and clarify all their questions concerning the new change.

Recommendations

Based on the above summary, coca company can enhance its efficiency system by recognizing the below recommendations.

- The coca company leadership is considered the supporters and supervisors of organizational change plans within the company; therefore, these leaderships must be educated by participating in the periodic discussion sessions, seminars, and ongoing meetings.
- The company should continue to study foreign and international markets on an ongoing basis by building multicultural work teams.
- The company must involve its employees in making administrative decisions - as much as possible - especially when planning to introduce change in any of the areas within the organization.
- The company should encourage subordinates to express their suggestions and opinions without fear.
- The company must adopt an organizational vision and mission consistent with global changes,

especially after the emergence of many pandemics.

- The company must focus on a comprehensive quality culture in all service delivery stages and use quality maps and performance monitoring to ensure that there are no deviations.
- It should prepare the company for change and also identify areas for change.
- The company must adopt a flexible production system based on customers' desires, and it must also develop groups of professional programs to reduce resistance to change.
- The company should study competitors' strengths and weaknesses periodically and make benchmark comparisons to determine best practices in beverages industry.
- The company must study and analyse the expected and unexpected risks periodically and record these risks in unique records.

References

- [1]Albrecht, C., 2020. *Coca-Cola Adapts Digital Marketing to Our New Pandemic Normal*. [Online] Available at: <https://thespoon.tech/coca-cola-adapts-digital-marketing-to-our-new-pandemic-normal/>[Accessed 15 March 2021].
- [2]ali, s., 2015. *Strategic Management at Coca Cola*. [Online] Available at: https://www.slideshare.net/saad216/slides-final-44847288?from_action=save [Accessed 15 March 2021].
- [3]Amjad, A. & Rehman, M., 2018. Resistance to Change in Public Organization: Reasons andHow to Overcome It. *European Journal of Business Science and Technology*, 4(1), pp. 57-60.
- [4]Bhasin, H., 2019. *SWOT of Coca Cola*. [Online] Available at: www.marketing91.com/swot-coca-cola/[Accessed 8 March 2021].
- [5]Bhasin, H., 2021. 11 Top Coca cola competitors – Competitor analysis of Coca cola. 2020 , 11(<https://www.marketing91.com/coca-cola-competitors/>), p. March.
- [6]BOYCE, P., 2021. *PESTLE Analysis Definition and Template*. [Online] Available at: <https://boycewire.com/pestle-analysis-definition-and-template/> [Accessed 15 March 2021].
- [7]Bulbulia, T., 2020. *Coca-Cola changes Sprite packaging to increase recycling*. [Online] Available at: https://www.engineeringnews.co.za/article/coca-cola-changes-sprite-packaging-to-increase-recycling-2020-08-07/rep_id:4136 [Accessed 14 March 2021].
- [8]Burnes, B., 2019. The Origins of Lewin's Three Step Model of Change. *Journal of Applied Behavioral Science*, pp. 2-17.

- [9]Butler, R. A., 2020. *How Coca-Cola Stacks up Against New Entrants*. [Online] Available at: <https://www.investopedia.com/articles/markets/120915/analyzing-porters-5-forces-cocacola.asp> [Accessed 14 March 2021].
- [10]Chavez, N., 2021. *Georgia groups are lobbying Coca-Cola and other corporations over voting rights*. [Online] Available at: <https://edition.cnn.com/2021/03/15/politics/georgia-voting-rights-billboard-campaign/index.html> [Accessed 16 March 2021].
- [11]Chiemelie, I. B., 2017. *Coca-Cola's marketing mix: a comprehensive review*. [Online] Available at: <http://ilokabenneth.blogspot.com/2017/12/coca-colas-marketing-mix-comprehensive.html> [Accessed 6 March 2021].
- [12]Coca-Cola, 2019. *Integrated Annual Report, USA: Coca-Cola*.
- [13]Cohen, H., 2019. *4Ps Of The Marketing Mix: The Best Guide To Show You How To Triumph*. [Online] Available at: <https://heidicohen.com/four-ps-of-marketing-mix/> [Accessed 14 March 2021].
- [14]Conway, J., 2020. *Coca Cola Company: global beverage sales volume growth 2019, by type*. [Online] Available at: <https://www.statista.com/statistics/670402/coca-cola-company-beverage-volume-growth-worldwide-by-type/> [Accessed 11 March 2021].
- [15]Conway, J., 2020. *Coca-Cola Company's market share in the United States from 2004 to 2019*. [Online] Available at: <https://www.statista.com/statistics/225388/us-market-share-of-the-coca-cola-company-since-2004/> [Accessed 8 March 2021].
- [16]Conway, J., 2021. *Revenue distribution share of the Coca-Cola Company worldwide in 2020, by operating segment*. [Online] Available at: <https://www.statista.com/statistics/271136/coca-colas-revenue-distribution-worldwide-by-operating-segment/> [Accessed 6 March 2021].
- [17]Cosgrove, E., 2020. *Coca-Cola reports border bottlenecks, touts localized supply chain to keep products flowing*. [Online] Available at: <https://www.supplychaindive.com/news/coronavirus-coca-cola-cross-border-freight-trucking/576529/> [Accessed 14 March 2021].
- [18]Cummings, S., Bridgman, T. & Brown, K., 2016. Unfreezing change as three steps: Rethinking Kurt Lewin's legacy for change management. *Human Relations*.
- [19]Darmawan, A. H. & Azizah, S., 2020. Resistance to Change: Causes and Strategies as an Organizational Challenge. *Advances in Social Science, Education and Humanities Research*, Volume 395, p. 49.
- [20]Elijah, A. B. & Millicent, A.-D., 2018. The Impact of a Sustainable Competitive Advantage on a Firm's Performance: Empirical Evidence From Coca-Cola Ghana Limited. *Global Journal of Human Resource Management*, 6(5), pp. 30-35.
- [21]Elkin, E., 2021. *Refreshing: Coca-Cola introduces 100% recycled bottles in the US*. [Online] Available at: <https://www.aljazeera.com/economy/2021/2/9/refreshing-coca-cola-introduces-100-recycled-bottles-in-the-us> [Accessed 14 March 2021].
- [22]Farooq, U., 2019. *Pestle Analysis of Coca Cola*. [Online] Available at: <https://www.marketingtutor.net/pestle-analysis-of-coca-cola/> [Accessed 14 March 2021].
- [23]Fauzia, M., 2021. *Fact check: Improper use of COVID-19 test gives false positive for Coca-Cola*. [Online] Available at: <https://www.usatoday.com/story/news/factcheck/2020/12/30/fact-check-wrong-use-covid-19-test-gives-false-positive-coke/4063231001/> [Accessed 8 March 2021].
- [24]Fleming, M., 2019. *Coca-Cola and Subway's former CMO on 'marketing's dirty little secret'*. [Online] Available at: <https://www.marketingweek.com/joe-tripodi-coke-subway-marketing-secret/> [Accessed 6 March 2021].
- [25]Harper, P. M., 2019. *Coca-Cola™ Market Analysis*. [Online] Available at: <https://medium.com/@pmhj42/coca-cola-market-analysis-53c9fd61f587> [Accessed 5 March 2021].
- [26]Hassan, D. N., Amos, A. & Abubakar, O., 2014. An evaluation of marketing strategies undertaken by Coca Cola Company as a multinational corporation in Nigeria. *IOSR Journal of Economics and Finance*, pp. 6-9.
- [27]Howard, F., 2017. *How does Coca Cola's supply chain management adapt around the world?*. [Online] Available at: <https://blog.driv.in/en/how-does-coca-colas-supply-chain-management-adapt-around-the-world/> [Accessed 11 March 2021].
- [28]Hussain, S. T. et al., 2016. Kurt Lewin's process model for organizational change: The role of leadership and employee involvement. *Journal of Innovation & Knowledge*, October, pp. 2-5.
- [29]Iyengar, R., 2018. *Coca-Cola is buying Costa Coffee for \$5 billion*. [Online] Available at: <https://money.cnn.com/2018/08/31/investing/coca-cola-company-costa/index.html> [Accessed 14 March 2021].
- [30]Jacobsen, C., 2020. *Opinion: Coke must tackle these 3 marketing challenges if it's to win the newest cola war vs. Pepsi*. [Online] Available at: <https://www.marketwatch.com/story/cole-must-tackle-these-3-marketing-challenges-if-it-s-to-win-the-newest-cola-war-vs-pepsi>

tackle-these-3-marketing-challenges-if-its-to-win-the-newest-cola-war-vs-pepsi-2020-01-06

[Accessed 8 March 2021].

[31]Jurevicius, O., 2013 . *PEST & PESTEL Analysis*. [Online] Available at: <https://strategicmanagementinsight.com/tools/pest-pestel-analysis.html> [Accessed 14 March 2021].

[32]Kayabaş, T. D., Boyraz, G. & Derdiyok, R., 2017. Examining Coca-Cola and Pepsi Brands under the Basis of Globalisation and Multinational Companies. *International Journal of Academic Research in Business and Social Sciences*, pp. 353-354.

[33]Khalid, S., 2012. *pestel analysis of coca cola*. [Online] Available at: <https://www.scribd.com/doc/113892116/pestel-analysis-of-coca-cola> [Accessed 8 March 2021].

[34]Kritsonis, A., 2005. Comparison of Change Theories. *International Journal of Business Management and Administration*, pp. 3-4.

[35]Mallory, S., 2016. *Coca Cola on Risk Identification & Risk Resources*. [Online] Available at: <http://directorsglobal.com/coca-cola-risk-identification-risk-resources/> [Accessed 16 March 2021].

[36]maloney, j., 2021 . *Coca-Cola Hit by Resurgence of Covid-19*. [Online] Available at: <https://www.wsj.com/articles/coca-cola-hit-by-resurgence-of-covid-19-11612964286> [Accessed 15 March 2021].

[37]Marcos, C. M., 2021. *Coca-Cola launches new bottles made out of 100% recycled materials, aims to reduce plastic use by 20%*. [Online] Available at: <https://www.usatoday.com/story/money/2021/02/09/coca-cola-introduces-100-percent-recycled-plastic-bottles/4292305001/> [Accessed 10 March 2021].

[38]Marengo, K., 2019. *Is Coca-Cola bad for you?*. [Online] Available at: <https://www.medicalnewstoday.com/articles/297600> [Accessed 9 March 2021].

[39]Matern, L. v., 2020. *How to take the ADKAR Change model from theory to practice*. [Online] Available at: <https://www.howspace.com/resources/how-to-take-the-adkar-model-from-theory-to-practice> [Accessed 12 March 2021].

[40]Mayureshnikam & Patil, V., 2018. Marketing Strategy Of Coca Cola. *IOSR Journal of Business and Management*, pp. 77-80.

[41]Moran, P., 2012. *The Evolution Of The Coca-Cola Brand*. [Online] Available at: <https://www.investopedia.com/financial-edge/1012/the-evolution-of-the-coca-cola-brand.aspx> [Accessed 10 March 2021].

[42]Morrison, M., 2014. *Kurt Lewin Change Theory Three Step Model – unfreeze, change, freeze*. [Online] Available at: <https://rapidbi.com/kurt-lewin-three-step-change-theory/> [Accessed 13 March 2021].

[43]Naibaho, E. R., Fauzi, A. & Sadalia, I., 2020. The Effect of Marketing Mix on Satisfaction of Customer Insurance Products Unit Link (Empirical Study in PT AIA Financial Branch Phoenix Medan). *International Journal of Research and Review*, February, pp. 48-49.

[44]Pratap, A., 2016. *A PESTEL Analysis of Coca Cola*. [Online] Available at: <https://notesmatic.com/2016/08/coca-cola-pest-analysis/> [Accessed 9 March 2021].

[45]Pratap, A., 2017. *COCA COLA MARKETING MIX*. [Online] Available at: <https://notesmatic.com/2017/03/coca-cola-marketing-mix/> [Accessed 10 March 2021].

[46]Rahman, M., 2017. *Stakeholder mapping – stakeholder analysis*. [Online] Available at: <https://howandwhat.net/stakeholder-mapping-stakeholder-analysis/> [Accessed 6 March 2021].

[47]Río, M. D., 2021 . *Coca-Cola Asks Its Workers to Be 'Less White' to Fight Racism*. [Online] Available at: <https://www.entrepreneur.com/article/366132> [Accessed 6 March 2021].

[48]Rudd, C., 2011. *Agile Adoption and the ADKAR Change Model*. [Online] Available at: <https://www.solutionsiq.com/resource/blog-post/agile-adoption-and-the-adkar-change-model/> [Accessed 12 March 2021].

[49]Salaky, K., 2020. *Coca-Cola Is Offering Employees Buyouts As It Announces A Restructuring*. [Online] Available at: <https://www.delish.com/food-news/a33832788/coca-cola-buyouts-2020/> [Accessed 4 March 2021].

[50]Saleh, A. A., 2020. *What is PESTEL analysis and how can it help in the current climate?*. [Online] Available at: <https://www.whatinvestment.co.uk/what-is-pestel-analysis-and-how-can-it-help-in-the-current-climate-2618037/> [Accessed 15 March 2021].

[51]Sarayreh, B. H., Khudair, H. & Barakat, E., 2013. Comparative Study: The Kurt Lewin of Change Management. *International Journal of Computer and Information Technolo*, July, pp. 627-628.

[52]Sharma, A., 2014. *The Coca-Cola Company and the Path of Least Resistance*. [Online] Available at: <https://www.fool.com/investing/general/2014/03/09/the-coca-cola-company-and-the-path-of-least-resist.aspx> [Accessed 16 March 2021].

[53]Shaw, G., 2018. *Here's how Coca-Cola has changed over the past 132 years*. [Online] Available

at: <https://www.insider.com/evolution-of-coke-coca-cola-history-2018-5> [Accessed 15 March 2021].

[54]Stavroudi, A., 2020. *PEST Analysis for the Coca-Cola Company*. [Online] Available at: <https://toughnickel.com/industries/PEST-Analysis-Coca-Cola> [Accessed 13 March 2021].

[55]Tracy, J. A., 2020. *Be a champion for change by using Lewin's 3-stage Model of Change*. [Online] Available at: <https://www.rdhmag.com/career-profession/inspiration/article/14167647/be-a-champion-for-change-by-using-lewins-3stage-model-of-change> [Accessed 9 March 2021].

[56]Valverde, M., 2020. *An Austrian politician "exposed the defectiveness of the government's Covid-19 tests by demonstrating how even a glass of Coca Cola will test positive for Covid-19."* [Online] Available at: <https://www.politifact.com/factchecks/2020/dec/17/instagram-posts/austrian-politician-goofed-testing-coca-cola-sampl/> [Accessed 15 March 2021].

[57]Vizard, S., 2020. *Coca-Cola restructures marketing to 'drive more growth'*. [Online] Available at: [\[cola-restructures-marketing-drive-growth/\]\(https://www.marketingweek.com/coca-cola-restructures-marketing-drive-growth/\) \[Accessed 14 March 2021\].](https://www.marketingweek.com/coca-</p>
</div>
<div data-bbox=)

[58]Wallace, A., 2020. *Coke will offer buyouts to 4,000 workers in the US and Canada*. [Online] Available at: <https://edition.cnn.com/2020/08/28/business/coke-layoffs-restructuring/index.html> [Accessed 8 March 2021].

[59]White, S., 2017. *5 Best and Practical Pestle Analysis Examples to Know*. [Online] Available at: <https://www.allassignmenthelp.com/blog/5-best-and-practical-pestle-analysis-examples-to-know/> [Accessed 10 March 2021].

[60]Wiener-Bronner, D., 2018. *Why Coke is winning the cola wars*. [Online] Available at: <https://money.cnn.com/2018/02/20/news/companies/coca-cola-wars-coke-pepsi/index.html> [Accessed 4 March 2021].

[61]Wiener-Bronner, D., 2020. *Coca-Cola is cutting 2,200 jobs*. [Online] Available at: <https://edition.cnn.com/2020/12/17/business/coca-cola-job-cuts/index.html> [Accessed 15 March 2021].

5/8/2021