

Organizational Behavior Theories Work in Apple Inc

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Keywords: Apple's culture, Chinese Market, Sales Mode, Individualism, Corporate Welfare.

Abstract: Apple's high production costs, the rise of other Chinese technology brands and the change of Chinese consumption view have led to the unfavourable sales of Apple products. We suggest cutting the budgets of other departments to reduce production costs to solve the problem of reduced sales. Apple has well-organized management and leadership training programs, while focusing on employee welfare. However, the company may not pay enough attention to the staff training program of change. We propose that apple can provide employees with more intrinsic motivation, so that employees can learn to be flexible according to market demand. Apple adheres to the culture of minimalism and individualism, which brings extreme individualism and stubbornness that are not in line with the Chinese market. At the same time, Cook has even changed some of Apple's initial principle culture. These problems can be improved by integrating the characteristics of collectivistic culture and referring to the opinions of customers and experts to upgrade the system. Philanthropy and environmental protection are part of Apple's corporate strategy, which includes the maximization of Apple's interests behind those social responsibility.

1. Introduction

This paper describes Apple's entry into the Chinese market and its influence in China. The paper will be divided into five parts. The first part is based on the part of the sales data of apple in China in recent years and with Huawei mobile phone products, analysing the insufficiency of apple in the Chinese market, by price, changes in consumer awareness, consumer buying motives, labour productivity changes in these aspects. The second part challenges the influence of individualism by analysing the idea that Steve Jobs set up for Apple that individualism is the core of the company. At the same time, the departure of Jobs and the business model changed after Cook took over also brought challenges to Apple, including customer feedback and the change of business philosophy; Apple's unique personality label also has two sides, which limits the company's expansion into the market. The third part analyses Apple's employee management and welfare system. It is divided into two parts, the first part through the apple company uses relationships sent to evaluate staff salaries, pressure from employees, employee satisfaction analysis of the advantage of apple company's welfare system, the second part through apple's attempt to support the type of leadership style, by putting the expectations of performance, improve the welfare staff a sense of achievement and experience. The fourth part describes Apple's social responsibility, divided into two parts. The first part is Apple's donation to WTO and other social welfare institutions and analyses Apple's donation activities through stakeholder theory. The amount Apple publicly raised, and the organization's name were not disclosed. At the same time, Apple has cancelled the supply of chargers, which has dramatically affected Apple's

efforts to achieve 100% recycling in green enterprises. The second part makes a comparison between Nestlé and Apple. Nestlé occupies a large proportion in the pure water industry. It is contradictory for large enterprises to do social welfare activities while destroying natural resources. Through the interpretation of the contradiction, it is shown that large-scale transnational enterprises have a particular impact on local labour resources and balance the damage to natural resources and social responsibility of these enterprises. The fifth part gives suggestions on management mechanisms, social responsibility, and risk management and control solutions.

2. Apple's sales mode and weakness

The sales model of Apple in America is based on the officially authorized exclusive store as their offline sales center, however back then there was no authorized retailer in China until the July of 2008.

Before July of 2008 Apple had largely occupied the market share of China through the third-party retailers. According to the research from University of Pennsylvania (Wharton), before Apple set the first authorized exclusive store Apple has more than 2000 of retailers who has never be authorized, they smuggle the Apple product from the place like Hong Kong or America and sale it in China, and that is as known as the gray area.

After the middle of 2008, the first Apple store was launched in Beijing, China. However, the price of its product completely disappointed the Chinese consumers. According to In-Stat during the year of 2008, China has approximately 400,000~1 millions of iPhones sold. And this blooming market encouraged the people to smuggle the Apple product from overseas such as Hong Kong or America considering the price is 30% lower than the price labeled in China, and they sell it through online platforms such as WeChat or Taobao (Chinese version of eBay). However, after Apple opened several new authorized stores in China, even if the iPhone is bought from America as a discount product it is still required to sign the contract with the operator, these measures have effectively cracked down on gray market transactions.

The pain point for Apple to maintain its influence in China is mainly from three aspects. The first is about the production cost. Along with the growth of Chinese average income or the GDP per capita the labor force is no longer cheap for Apple, and that led to the price of its product going up as a result higher price will discourage the potential consumers.

The second pain point is related to the competitors of Apple such as Huawei and Mi. for last 10 years many Chinese domestic smartphone manufacturers have emerged to higher end market where they have the ability to make their flagship product as good as iPhone even better in some ways but they also can make sure the price is a bargain for consumers considering they do not have to pay the import tax, as the result they start to picked on iPhone as their goal to win. For instance, in 2019 both Apple and Huawei revealed their flagship products iPhoneXS and Huawei Mate 20 and Mate 20pro. Both products have similar functions, both have fantastic features with great design, however the price of iPhoneXs start from CNY 8,199 and the Mate 20pro only start from CNY6,299 [1]. As for the result Huawei in 2019 broke its own record selling over 10 million of Mate 20 and its pro version for comparison iPhoneXs failed in not just numbers but also the fame.

The third pain point is related to the Chinese consumers, the way of how they treat the apple as a brand and their consumption view. In 2008 when Apple officially got into China, for a very long period it was considered as a luxury brand just like Chanel or Hermes. According to the 2011 McKinsey Insight China report China's luxury market is expected to reach \$27 billion in 2015, accounting for 20 percent of the global luxury market [2]. Apple's iPhone 4 retails for 6,000 yuan (\$945) in mainland China, which accounts for about 25 to 30 percent of the citizen's annual income. However, along with the growth of Chinese economy and the average income of individual Chinese, this kind of consumption view has totally changed in recent years, the reason of this is mainly because when people become wealthier, they will start to look at something higher, which means the Chinese consumers no longer believe the iPhone or apple products will bring them any differences or extra point when they compare themselves with others [3]. In Addition, since the average income of Chinese is getting higher and higher, Chinese consumers start to have their own financing concept. They are no longer willing

to pay over \$1,200 for a cell phone; they rather save half the amount of money to buy a Huawei and the rest of the money to buy some bonds or stock.

3. Employees' stress and corporate welfare

3.1. How does apple manage and train their employees

The continuous growth of an enterprise is inseparable from efficient internal management of employees, accurate training of employees, proper work stress and welfare programs.

Based on Watts et al's study, they argue about two companies contain both eastern and Western business practices, however how the location of the organization determines which type of practice is dominant [4]. And Apple is trying to broaden the horizons of its employees. Apple uses a system of overseas workers, in which employees from international factories are sent to other international factories. Rather than the traditional system of sending American workers abroad. As a result, Apple found a lot to improve on and gained better local insights that led to globalization.

According to Wheeler's study, he discussed the interpersonal relationship methods of Apple Inc [5]. How companies' personal approach to relationships helps them grow. It also looked at the company's unique approach to employee training and how it could help other companies grow by using the strategy [6]. Apple uses the Human Relation Approach in managing their employees, which keep encouraging their employees and give their award so that the employees could feel the achievement and accomplishment. By having such feelings, those feelings help employees to be more efficient in doing their jobs. Apple also uses this approach in training their employees. Apple encourages their employees to develop new skills and software by themselves, and they could be awarded if they have enough contribution like stocks. They are also encouraged to have some positive competition among teams in working on projects and programs. Company doesn't provide training to employees directly, however, they are encouraged to get training by themselves so that they could be well prepared in learning new materials and use them in their jobs.

There are well-organized and well-designed managing and training projects in Apple [7]. They try to make their employees become one of their advantages by giving them better training. They care about the efficiency and the learning environment of the training projects. Apple also provide training for employees to let them learn the local laws and what rights they have. In this way, both the company and the employees are gaining benefit. Because employees could have better understandings about their rights so they could recognize if their rights are violated. On the other hand, the company could also make sure that they don't have any violation operation especially in their supply chain because all the employees were well trained about that knowledge [8]. Apple's managing and training programs are highly integrated and controlled, which help them to develop better programs for their employees. And that is the reason they could make their employees as one of their advantages by focusing on their training and development programs.

3.2 System of corporate welfare in apple

Apple sets up a specific committee for designing the compensation and benefits for their employees. The salary of Apple is higher than the average even if it's lower than some companies like Lulu Lemon. However, Apple still provide considerable benefits for their employees including different insurances and tuition assistance to make sure that their employees are both mentally and physically healthy [9].

Finally, Apple could try the supportive leadership style in managing their employees, which is found in path goal theory. Because this method plays an important role in reducing the stress of the employees. However, there is one disadvantage of this approach that company could neglect to train the employees for skills like competences regarding change. Nevertheless, Apple already has a well-developed training program for their employees. So, by applying this style in Apple, it could be expected that it can play the advantages and reduce the role of shortcomings.

4. Apple's culture- Individualism and innovation combine to produce minimalist products

When Apple went public in 1980, Steve Jobs, who was only 25 in that year, became a millionaire. Jobs infiltrated his American individualism and personal charm into the connotation of apple and became the mainstream thought of apple. As the foundation and soul supporting the growth of the whole organization, Apple's spiritual culture is unique in the same industry. Jobs believed that Apple is the strongest company in the world and has a way of doing things different from other companies. What Jobs wanted was not just to defeat all the companies in the market, but to destroy them. He wants to show the world that only his company is the strongest. This strong and confident corporate culture extends from employees to consumers. This makes employees more motivated because they are becoming people who change the world by working for Apple, and consumers are using Apple's products to enjoy being different and feel the pleasure of leading the trend. Therefore, everyone is working hard to build the most powerful Apple.

Apple encourages individualism because the Apple company believes it can create differences. Apple's culture encourages hard work and emphasizes personal achievement. Under the leadership of Jobs, Apple formed a dynamic and creative corporate culture at the beginning of its establishment. This culture has led Apple to develop incredible products. At the same time, Innovation has become the soul of Apple culture. In Apple's history, it seems that there has never been a history of cloning products from other companies. The innovative culture makes Apple have new products almost every year. Almost every product launched by Apple brings customers the latest experience and leads the trend of the times. In November 2001, it launched the iPod, which led the revolution of music player, and iTunes 2, a tool software for transferring MP3 files from Mac to iPod; In June 2007, the iPhone, which changed the market pattern of smart phones, was launched; The iPad released in April 2010 makes tablet computers a trend, which is likely to change the future development of the PC industry [10].

Jobs once proposed that we should abandon inappropriate transition design and pay more attention to production in design, and the function and nature of the product. The design idea of Apple company is the ultimate simplicity, and the pursuit is to make the products perfect to impeccable. For example, as an electronic product, it should have a full sense of science and technology at a glance, and then put on a simple and clean white outer package to highlight the logo of Apple company, so as to make the main object clearer at a glance. This is the Apple of the most complex attributed to the simplest.

4.1. Extremely individualism and the faded culture

The first pain point is the culture of extreme individualism has also led to Apple's over reliance on individual heroes and serious personal worship, which does not meet the needs for Chinese market. Jobs is the dictator of the company. He made all the key decisions and many seemingly insignificant decisions. Considering this case, Jobs wanted to make Apple the Sony of the computer industry. The IMAC launched in June 1998 has a translucent, jelly like round blue body, which has quickly become a fashion symbol. In the next three years, it sold a total of 5 million units. If you get rid of the charm of shape design, all configurations of this product with a profit margin of 23% are the same as those of the previous generation of Apple computers.

Further, the second one is Apple does not like to hear others accuse it of being wrong because it advocates the ultimate individualism of its own way and hopes that both its own employees and external followers can stand firmly with itself. The culture of our own way will inevitably lead to the company's operating guiding ideology is a product-oriented, it is difficult to coordinate the company's direction and market demand. Apple's superior performance, ease of use, the world's easiest personal computer to network, technically impeccable, but the only model in the world that is not compatible with the IBM-PC. However, the general trend of computer development is computer networking, which requires microcomputer compatibility. And IBM has the lion's share of the computer market, so the unique incompatibility of the Mac limits demand for it. In addition, Apple refused to authorize other computer manufacturers to produce Macintosh software, losing a good opportunity to expand the market.

The last pain point in here is, after Jobs left, Tim Cook took over the company, and Apple immediately ushered in the transformation of its business model, and everything is related to interests [11]. Since Cook took over Apple, Apple's corporate culture has been questioned. Many people believe that Apple's individualistic culture of minimalism and innovation is disappearing. More and more users report that the appearance design of mobile phones no longer advocates the minimalist style, the battery life of mobile phone systems also has problems, and the IOS system is frequently stuck. The increasingly strong commercial atmosphere has gradually swallowed up its design driven essence. As a leading enterprise in the field of science and technology, Apple's original strong corporate culture atmosphere is disappearing little by little.

5. Apple's social responsibility

In the part of organizational social responsibility, the CEO of Apple donated \$10million to a COVID-19 fundraiser organized by the WHO [12]. From the perspective of stakeholders, broader social responsibility and the fulfilment of legal, ethical, economic and philanthropic obligations in corporate strategy are all required of stakeholders as emphasized in stakeholder theory [13]. The accountability of stakeholders makes philanthropy an integral part of corporate strategy. Social construction and the fulfilment of social responsibility has built a close connection. Through donations to help the construction and development of the local economic structure, the gap between the rich and poor in different regions has a positive effect. The process of fulfilling social responsibility has gradually become the establishment of public trust in society, not only the construction of reputation, public praise and corporate image. The purpose of managers is to achieve the gradual expansion of interests by acquiring this intangible wealth.

In fulfilling social responsibility, enterprises accumulate reputation, which is their goal, and gain more profits and potential customers. Have study shows that managers pay attention to the needs and interests of more powerful stakeholders when conducting social and environmental disclosure of resources [14]. It is easy to conclude that the purpose of performing social responsibility is also to put interests first. The negative news exposed in supply chain sufficiency made Apple become a clear representative of the anti-globalization movement [15]. Foxconn recruited child labour [16], n-hexane (toxic cleaning agent) incident [17], Shenzhen Foxconn employees were forced to process [18]. All the bad news happened in China, where 157 of Apple's 400-plus (suppliers List 2021) belong to China. Due to the low cost of labor and the limitation of ability, labor discourse cannot be directly communicated to people in developed countries. In the capital, accumulation is further exploitation and exploitation of the labor force. Investors are more willing to care about risks related to corporate activities and reduce risks through managers' change of lousy image [19]. At the end of 2018, Apple officially announced that it had reached its goal of generating 100 percent of its electricity from renewable sources. The iPhone, iPad, zero landfill has been confirmed in the assembly site of iMac and other products. The charger will be removed from Apple's new products in 2020. As one of the world's largest mobile phone manufacturers, Apple has promoted its awareness of environmental protection and low carbon by eliminating chargers. This behavior is the fulfilment of environmental responsibility. Apple's environmental awareness would influence and lead other mobile phone manufacturing industries. Apple's elimination of chargers has saved 2 million tons of carbon emissions compared to previous years, analogous to taking 450,000 cars off the road. Through its environmental responsibility, Apple has set a goal of 100 percent recycling. As the environmental program anticipates, reducing peripheral production could save one million tons of carbon emissions. The trend of production in today's society has begun to move towards the concept of low carbon and environmental protection, which is of great significance to ecological and environmental protection [20]. In the realization of self-value, social responsibility also depends on the realization of value. The results of environmental protection are not only conducive to the construction of a green social environment but also can reduce the damage to the ecosystem [21]. However, this kind of green behavior is limited, involving the domain, region, improvement time, and the consciousness of the

enterprise itself. In order to balance the pursuit of profit maximization and the fulfilment of social responsibility, the addition and subtraction of managers' interests need to be considered.

Apple happens to balance the squeeze on labor with its annual fundraising and environmental responsibility. The balance between capital and social demands is more like balancing power over accumulated capital. For example, the exploitation of water resources by The Company in Nestlé seems to play an active role in the local economy and provide jobs. However, it is more of a disguised attempt to destroy the local ecology to achieve benefits. There is no end to balancing a company's pursuit of interests and its moral bottom line. The study shows that the organization should constantly challenge the bottom line of corporate behavior while pursuing the maximization of interests [15]. Behind doing public welfare undertakings in front of the masses is further challenging and excavating morality. The balance between fulfilling corporate responsibility and the pursuit of interests is contradictory.

6. Apple organization internal management suggestions

The suggestions for Apple sales mode's pain point above is relatively complex, due to the fact that there are many problems which will take very long periods of time to solve it, for instance the issue of production cost, as for now China is the only country can handle the job of assemble Apple products with good quality, any other countries does not have this kind ability yet, but that is quite understandable because China's total industries power is incomparable [22]. With that said, Apple must bear with the time until there is a country which can replace China with the same ability in terms of industry power and cheap labor forces. Before that happened, Apple could either cut off the budget from other departments such as the PR or Advertising department in order to decrease the cost of its product or Apple could choose to maintain the status quo and face the fact that Huawei and other domestic brands would expand their market share on a daily basis.

For the management and training projects, it would be better if Apple provide some motives for their employees. Because it seems like Apple provides a great platform for their employees to get improvement by learning various skills. Nevertheless, the chances to learn skill are not mandatory even employees would get better performance if they do so. Therefore, by giving employees motives to promote employees to learn those skill and knowledge would be more effective for both employees and company. For example, Apple would set goals for their employees, which avoid the situation of delivering their tasks that are required to complete. So that it could promote their employees to learn new stuff while avoiding the idea of mandatory training.

As mentioned earlier, Apple has a distinctive individualistic corporate culture, which brings personal heroism and too bright personal color. Because Apple should learn some of the advantages of collectivism, which satisfies the needs for Chinese market. For example, how to integrate the advantages of each designer with the interests of others, and how to improve the overall interests of each designer. Integrate the characteristics of collectivism to neutralize the strong color of individualism, rather than give full play to individualism.

Ultimate individualism also raises the issue of Apple's inability to listen to others. If you refuse to listen to others' suggestions, the company will stagnate and cannot adjust according to the needs of the market. Therefore, Apple should actively listen to some suggestions from users, experts and market analysts, and make appropriate modifications to the product without breaking the product concept. Such a win-win situation will not only improve product sales, but also improve users' satisfaction.

After Cook took over Apple company, many people were dissatisfied that Cook undermined Apple's cultural principles and put interests first. For example, the shape of the mobile phone no longer follows Jobs' minimalist concept, and there are problems with the product performance. First, Cook is leading apple into a new era. He is gradually trying to adapt to market demand. However, due to technical problems, product functions have problems, resulting in the decline of user experience. Nevertheless, these problems can be avoided. As long as Apple follow the above two points suggestions of corporate culture - strengthen group cooperation, listen to opinions on the principle of not breaking the corporate culture, and adapt to the market demand at the same time.

7. Conclusion

Through the analysis, we can know that Apple is facing some challenges in the Chinese market and the departure of Jobs. But by overcoming these challenges, Apple may be able to take its company to another level. However, Apple inc. still has its excellent points, such as its potential training and support for employees. By helping employees to improve, apple inc. can help the company make profits more effectively and achieve a win-win goal. Finally, we can see from the above that Apple is also a company with social responsibility, which can help the company gain a good reputation in the industry. At the same time, it can also make more contributions to the environment, consumers and society.

8. Authors' contributions

Sicheng Lan described the pain points of Apple's employee welfare and enterprise training, gave suggestions, and summarized the full text. Mianning Yang abstracted the full text, described Apple's culture and its cultural pain points, and gave suggestions. Li Ou put forward Apple's sales model and the pain points of sales in the Chinese market and gave suggestions. Lingxiao Zhuo introduced the full text and put forward thoughts on Apple's social responsibility.

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