
Apple's Organizational Culture And Structure

Introduction

Apple Inc. (Apple) is an American multinational technology company established by Steve Jobs, Steve Wozniak and Ronald Wayne in 1976 (Biography, 2017). Apple was located in Cupertino, California. The first product of Apple was the Apple I (Deffree, 2019). It has changed the usage of computers around the world. Till now, Apple was mainly focusing on the development of personal computer and multimedia software such as Pages, iMove, etc. The first iPhone business which was running in 2G was promoted in 2007. It has sold out one million iPhone within 5 days (Web.archive.org, 2007). Consequently, how does Apple encourage creativity and innovation to their future products?

Main Contents

Organizational Culture

According to Ogbonna and Harris, organization culture is a group sharing a set of values, beliefs, norms and assumptions and guiding their interpretations and responses to their environments (Ogbonna and Harris, 2014). Shein (2010) also raised that culture develops when people was working together, and developing a set of beliefs about what to work, for example, a common mission or setting a goal for the members to follow. For Apple, which is a multi-national company. Up till September 29, 2018, Apple has employed approximately 132,000 full-time equivalent employees (ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934, 2018). As a result, strong belief would become their driving force in their management. So, it is believed that human relation has been used in Apple to motivate their staff to be more cohesively and membership. On the other hand, open system has been also used as to help their business become more flexible as to encourage their innovation.

Creativity and innovation

Creativity helps to create new ideas as to improve future products and the business. Apple focuses creativity on the knowledge and abilities of the employees. This has helped to develop the design and the function of the new products. For example the product of the iPhones, iPads and Macs, which help to conscience people no matter on works or entertainment. It has also promoted the product with marketing mix like cooperate with other company by promoting some special product with special meaning like the PRODUCT (RED) , which is a project to help provide testing, counseling and the treatment for the people living with human immunodeficiency virus (HIV) (RED), 2006). One percent of the profits will donate to the funds. This can help Apple to maintain the capacity to meet the expectations and the preferences of the customers. Besides, it also help on building a good image to the public for itself. On the other aspect, Apple in favor of innovation. Apple has always be assessed as one of the most innovative companies around the world (Fast Company, 2019). Under this organizational culture, it can cultivate and actuate the employees to innovate on their work performance and the product development processes. This culture has rapid the innovation of Apple. As a result ,

it can guarantee the future products are profitable and attractive to the customers.

High Secrecy

Secrecy was one of the organizational cultures that Steve Jobs developed in Apple. It believes that privacy is a fundamental right (Apple, n.d.). This has determined the development on human resource. High secrecy can help to protect the proprietary information and intellectual property from being stolen by hackers. It was a great advantage between the competitors. Through this organizational culture, it has encouraged that employees to keep all business information and the trade secret within the company. Moreover, when creating that device, the privacy of every employee was also considered in every stage of the progress. Even when the team members used their own devices for the work at home, privacy was same as important. The mobile device management (MDM) protocol has allowed a limited amount of information and settings of the device to interact with the Apple device (Bhargava, n.d.). To protect the user's personal content, Apple ensures the data security in the managed applications from entering the company's data stream (Apple, n.d.). This organizational culture helps Apple protect itself from the negative impacts of commerce spying and employee poaching.

Moderate competitive culture

Apple's organizational culture has a moderate competitive culture which can push up the working atmosphere to let employees work efficiently. This was created by Steve Jobs, their ex-CEO. It was well known that Steve Jobs always challenge his employees randomly as to ensure that they could have everything they need when they were working at Apple (Eadicicco, 2019). However, under the leading of Tim Cook since 2011 (Apple Newsroom, n.d.), Apple is now changing this competitive culture into a more communicative culture, less competitive. Nevertheless, competitive culture still the main influence in Apple. Apple's competitive culture has demonstrated a moderate fight, emerging challenge was aimed at raising the employees' output.

Organizational Structure

The organizational structure which Apple was using was the divisional structure. The ex-CEO Steve Jobs created this structure which has allow effective and rapid innovation on the new technology. Such as online payment, information technology and offline service. This has make Apple's innovation become strong. However, under the leading of Tim Cook since 2011 (Apple Newsroom, n.d.), which was the chief executive at present of Apple, the structure of Apple has slightly changed. At present, Apple has more collaboration between different parts of the organization, like the software and hardware teams. At the moment, the senior president is required to report to Tim Cook about the business functions. Through this structural feature, the top leader can address business needs according to the business function areas. Theory X and Y in Apple

Apple has brought out a lot of legends. Most of the legends are created by Steve Jobs, the ex-CEO. Steve Jobs has apply one important theory in Apple, which was the theory X and Y. In 1984, Steve Jobs promoted Mactonish (Polsson, 2009). At that time, most of the employees' are standing on the opposite side with Steve Jobs as they think that they couldn't build Mactonish base on their ability at that time. Steve Jobs then discharged all those object him and

employ a large group of new outstanding engineers which would be agreed to his idea and obey to him. Steve Jobs has used both theories X and Y. According to theory X, the employees in the former were lazy and low confidence (Hattangadi, 2015). By using theory Y, Steve Jobs is not only managing the team, but also motivating his team. He would try to praise his employees instead of giving high pressure to them. For example, Ratzlaff, who was in-charge in the iMac and the macOS platform. Steve Jobs has been praising him about this performance. However, at the very beginning, Steve Jobs has been kept on abusing about the interface of the Mac. Afterward, Ratzlaff has been working hard with his team members to resume the interface. After endless repetitive changes, it has turned out into the MacOS that we are using nowadays. Steve Jobs has used a high-pressure environment to motivate the employees. Although the employees were working in a high-pressure environment, they did not blame on Steve Jobs. As this high-pressure environment has produced many legends product that they never expected (UKEssays, 2018). Steve Jobs was an intelligent and wise person. He does not follow the general principle to manage his employees. He tries to use theory X and Y, by giving pressure and approval to his employees, making more and more employees to obey and loyal to him, to motivate his employees to be more innovative which help Apple to produce more creative and innovative products.

Outsource of production

Apart from software, most of the hardware of Apple are being outsourced. Outsourcing allows a company using a low price in order to get the good quality as to solve the problem in a rapid way. In fact, it can reduce the cost of the hardware, so that they can spend more time and cost on the functions of the software. In the years, Apple has been outsourcing its manufacturing to China (Kubota and Mickle, 2019). In recent years, Apple even try to outsource its manufacturing to India. Apple is using the advantage to outsource some of the workings to the developing countries. As developing countries lack of labor law and safety knowledge, Apple do not need to pay much for production. The citizen in developing countries need jobs but they are lack of academic skills. As a result, they can just apply for the low skilled job. The outsources of Apple has definitely provided a job for them although it was low paid. Moreover, the advantage of outsourcing production is short in the chain of command. It has help to raise innovation and authorization (Fayol, 1949) . In long term, it can make their marketing strategy become more easier to execute. In addition, it will also enhance the chance of Apple cooperating with other companies. From this, it can interpret why Apple is always being distinct on the product design and the innovation on the product.

Conclusion

To conclude, as Steve Jobs has produced a great organizational culture and structure for Apple, it is still now standing on the top list of the IT industry. To put in the theoretical foundation of contemporary management, Apple is even a fine example of the IT industry, every company would like to learn the innovation technology from it. By changing some ways into contemporary management, abandoning some traditional ways of management, like the theory X and Y, it can properly motivate the employees. Although Apple has faced different difficulties in recent years, for instance, the rapid changes of the IT industry, competitors in the IT industry, the need of changing the CEO into Tim Cook, etc. Even though the employees have slightly changed on the working style under the new leading style of Tim Cook, the employees of Apple is still using their great passion to produce more legends product to the public. They are prone to produce more

creative and innovative products. They do not want to stuck in a rut. We are looking forward to the future, we earnestly hope that Apple can create more creative and innovative products to us under the leading of Tim Cook.

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