

Apple's iPhone – not "made in America"

Experience, Human Nature



What is meant by globalization of human capital? Is this inevitable as firms increase their global operations? Globalization of human capital implies that people are moved out of their native country for employment in various fields. Since there are many companies around the globe and have branches in other countries, qualified people get an opportunity to move out and work. It is inevitable since globalization is established and the companies use the skills, labor, talent and knowledge as a part of globalization of human capital.

How does this case illustrate the threats and opportunities facing global companies in developing their strategies? The main threat is when President Obama asked Steve Jobs about reduction of job opportunities in United States and giving jobs in other countries, which made a feel of threat in their own country. And also many suicides at Foxconn lead a negative impression on Apple. The opportunities faced by them are high profit of \$ 321 per iPhone. It shows the profit of a global company.

Comment on Apple executives' assertion that the company's only obligation is making the best product possible. "We do not have any obligation to solve America's problems" I think it is really harsh to say these words. Everyone should have some obligation towards their country. But this is business and as an executive he is right he should always think about the growth and quality of the product. And should make maximum profit from low cost. So I think he is right.

Who are the stakeholders in this situation and what, if any, obligations do they have? The main stakeholders are Apple company, Foxconn, and the government. All of these have obligations. Since Apple is a brand company

and all expect best from them it is their obligation to be faithful and best quality provider to the consumers and also to the workers who work 24 hours for them. It is same for Foxconn too. They should be concern about the workers they should get the adequate pay and rest. Also, government should safe guard the people of each country from any type of pressure.

How much extra are you prepared to pay for an iPhone if assembled in the United States? I think I will not pay even a single penny extra to buy an iPhone since they have a profit of \$321 now itself. That is too much profit. I recommend they should decrease the rate of the phone. Some other product made in USA is not that expensive so the iPhone should also be a little lower than now. After all, it is a phone although it has many application also it is not expensive enough to make it.

How much extra are you prepared to pay for an iPhone if assembled in China but under better conditions and pay? What kind of trade -off would you make? I have the same opinion as I said for United States. Better conditions and pay rights of workers and it does not mean the price should be increased since they already have a good profit. And it is the right thing to provide better conditions and better pay. We can also think about globalization of human capital to United States.

To what extent do you think the negative media coverage has affected Apple's recent decision to ask the FLA to do an assessment and the subsequent decision by Foxconn to raise some salaries? What do you think will happen now? Since everyone knows about the case I think they will be more careful and take a favorable decision so as to protect the workers. It is sure that the negative media coverage has affected Apple's image very

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badly and so they asked for a FLA assessment. Foxconn on the other hand was squeezing the workers to do more work with little pay and the suicides which occurred made them into trouble and they increased the wages to save their face and I think they have to be very careful in the future by providing a good environment to work with a decent pay.