

# Motivation and rewards of apple inc business essay



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Apple Inc. is a multinational technology company that designs and creates iPod and iTunes, Mac laptop and desktop computers, the OS X operating system, and the revolutionary iPhone and iPad. In April 1, 1976 Apple's headquarter based in Cupertino, California, USA and was founded by Steve Jobs, Ronald Wayne and Steve Wozniak, and incorporated in January 3, 1977 as Apple Computer, Inc. In the year of 1997, the first of Apple Computer was born. Apple Inc. is mainly focused on consumer electronics such as iPod, iPhone, iPad, iMac, etc. instead of only emphasizing on personal computers. In the year of 2001, the iPod has been introduced into the market and the iPod is successfully become the main market leader in music players. Apple had joined the phone industry in 2007 with iPhone. iPhone is a smart phone and it changes the world. It was very popular and had successfully attracted many customers. In the year of 2012, Apple came out with the iPhone 5 and it gets the highest sales within the iPhone series. In this past ten years, Apple keeps improving their products to maintain their sales. They tried to create more new technology so that they can penetrate the market easily and become the leader of the electronic market. They had designed the consumer software (iCloud, iChat, iTunes) for customers to update, install or download the software or songs.

There are 395 retail stores and online stores that are operated in globally in 14 countries as of November 2012. Apple sells its products worldwide through its retail shops, online shops, and direct sales force or through the third-party. From the financial aspect, the net income of Apple in 2012 was \$41, 733 million of the launching of innovative products such as iPhone 5, iPad 3, iPad mini and also iPod touch (5th generation). Their net income in

2011 was \$25, 922 million which they had increased their net income in \$15, 811 million. Samsung is the main competitor of Apple recently. Apple still loses some customers although Apple keeps on designing the new devices. Nevertheless, Apple Company stays alerts and understands the consumers' needs so that their company has very strong customer base and strong brand equity in the market. As an example, when Apple first launch the new device, many of the consumers who love Apple product will queue up outside the Apple retail store overnight and wait to purchase the new product on the next day once Apple retail store open.

## **2. 0 CONTENTS**

2. 1 Identify and explain the relevant principles and concepts of management (theories/concepts/models/assumptions) those are being applied in the company.

2. 2 To analyze and discuss the company's practices/operations in relation to the selected topic.

## **Maslow's Hierarchy of Needs Theory**

Motivation is the process by which a person's efforts are energized, directed, and sustained toward attaining a goal. Some of the motivators are being in the know about company matters, an understanding attitude from the management, job security, good wages, interesting work, and career advancement opportunities, loyalty from management, good working conditions and tactful discipline. (Victor, 2008) According to Maslow's Hierarchy of Needs Theory which is proposed by Abraham Maslow, humans

are motivated by five essential needs which are physiological needs, safety needs, social needs, esteem needs and self-actualization need.

Physiological needs are the very basic needs such as air, water, food, sleep, sex, etc. When these are not satisfied we may feel sickness, irritation, pain, discomfort, etc. These feelings motivate us to alleviate them as soon as possible to establish homeostasis. ( Gwynne, 1999) Once they are alleviated, we may think about other things. Safety needs are needs for a safe and secure physical and emotion environment and freedom from threats. Social needs are the desired to be accepted by others and have friendships or become a part of the group and be loved. Esteem needs present the typical human desire for positive self-image, receive attention, recognition and appreciation from others. Self-actualization needs are the needs for self-fulfillment. Maslow describes this level as the desire to accomplish everything that one can, to become the most that one can be.

Maslow's Hierarchy of Needs states that we must satisfy each need in turn, starting with the first, which deals with the most obvious needs for survival itself. Only when the lower order needs of physical and emotional well-being are satisfied are we concerned with the higher order needs of influence and personal development. (" Maslow's Hierarchy of Needs," n. d)

## **Maslow's Hierarchy of Needs Theory**

Apple Inc. produces highly motivated individuals who work hard at their job. Managers within the organization, including Steve Jobs, lead through motivation to create conditions where employees constantly feel inspired to work hard. Apple's highly motivated workforce is one of the major reasons

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for their high-performance results. (“ Leadership and Motivation of the Members of the Organization,” 2013)

Maslow’s Hierarchy of Needs Theory is being applied in the Apple company. Managers in the Apple Inc. have created ways to motivate its employees by carefully considering how needs play into job design, compensation, management style and so forth.

Apple Inc. fulfills the employees’ physiological needs by providing wages that sufficient for employees to purchase their basic needs. It makes the monthly payment to its employees regularly. It also provides some financial incentives to its employees such as flexible benefits, investment and savings plans, investment options and stock purchase options. (“ Benefits of Working at Apple,” n. d) Besides, Apple Inc. provides a good environment to employees for eating. For example, the corporate cafeteria -Caffe Macs, which is the place to eat on campus, offers a variety of good quality food. It sells various type of food such as pizza, sushi, pasta and salad. The level of excitement and electricity in the café are perfect. On a daily basis, at least one of Apple’s top executives will be seen in Caffe Macs such as Steve Jobs. Apple Inc. also provides good working environment in the aspect of water, shelter and other facilities.

Next, Apple Inc. satisfies its employees’ safety needs by providing them job security, retirement benefits and a safe working environment. Apple Inc. provides full-benefit medical insurance to its full-time employees as well as part-time employees who working as few as 15 hours a week and have at

least one year of service with Apple since January 2010. It also provides pension and sickness schemes to its employees.

Apple Inc. then satisfies the employees' social needs. The company has developed team atmosphere and made sure employees know that they are a part of something bigger. For instance, from its lack of bureaucracy within projects, to its engineer-focused culture, to its emphasis on passionate and loyal employees, the huge company has maintained the corporate culture of its startup days. And that culture is a huge part of what makes it so successful — and, not surprisingly, a good place to work. ( " Leadership and Motivation of the Members of the Organization," 2013)

Furthermore, Apple Inc. fulfills its employees esteem needs by valuing emphasis self-respect and respect for others and praise for hard work. Appraisal system helps to recognize individuals' contributions and importance of celebrate achievement. For example, Apple Inc. CEO Tim Cook has noted that employees will be given a major discount on Apple products, starting in June. Employees already get 25 percent off Macs and iOS products, but in a few months they will also be given an extra \$500 off Macs and \$250 off iPads. For example, the low-end Macbook Air will cost just \$250 after the discount and new credit. ( Yoskowitz, 2012)

Next, Apple Inc. also satisfies its employees' self-actualization needs. Apple has pushed the limits of how people create with technology in everything it has done. Steve Jobs directed the company towards excellence by helping people create in ways they could never achieve before. Consequently, the iMac, the iPod, the iPhone, and the iPad all played a big role in the

introduction of new markets. The self-actualization need of a business is tied tightly to the man steering the ship, such as CEO of a company who will dictate a company's direction. For example, CEO Steve Jobs led Macintosh through each of its largest innovations, but when he left, it began to lose its way and market share. Upon his return, Macintosh quickly returned to its initial direction and to profitability. (" Maslow's Hierarchy of Needs for a Small Scale Business," 2011)

## **Goal-Setting Theory**

A well-developed goal-setting theory of motivation is provided by Edwin Locke. The goal-setting theory is one of the process theories that apply to the organization, focuses on the motivational properties of task goals. The theory emphasizes the important relationship between goals and performance. Research supports predictions that the most effective performance seems to result when goals are specific and challenging, when they are used to evaluate performance and linked to feedback on results, and create commitment and acceptance. The motivational impact of goals may be affected by moderators such as ability and self-efficacy. Deadlines improve the effectiveness of goals. A learning goal orientation leads to higher performance than a performance goal orientation, and group goal-setting is as important as individual goal-setting. (Fred, 2011)

Apple Inc. employees are highly motivated to accomplish their task goals which give direction to people in their work. The proper setting and management of goals within Apple Inc. helps to clarify the performance expectations in the organization. They provide a foundation for behavioral self-management. This helps to motivate employees work performance and <https://assignbuster.com/motivation-and-rewards-of-apple-inc-business-essay/>

job satisfaction. Apple Inc. always set specific goal for the employees to achieve. For instance, its goal for the year 2010 was to achieve a worldwide recycling rate of 50 % (as a percentage of sales 7 years ago). Such specific goal will create high self-efficacy of the employees and help in achieving stated goal.

## **Herzberg's Two-Factor Theory**

To better understand employee attitudes and motivation, Frederick Herzberg has proposed Herzberg's Two-Factor Theory which states that there are certain factors in the workplace that cause job satisfaction, while a separate set of factors cause dissatisfaction. This theory proposes two factors which are intrinsic factors that are related to job satisfaction and extrinsic factors that are associated with job dissatisfaction. Satisfiers are motivators, while dissatisfiers are hygiene factors. The motivators symbolized the psychological needs that were perceived as an additional benefit. The hygiene factors symbolized the physiological needs which the individuals wanted and expected to be fulfilled. Motivating factors are achievement, recognition for accomplishment, increased responsibility, opportunity for growth and development and creative and challenging work, whereas hygiene factors are company's policies and administration, supervision, working conditions, interpersonal relations, salary, job security, status, personal life and employee benefits.

The Herzberg's Two-Factor Theory is being applied in the Apple Inc.. The employees of the Apple Inc. are praised and recognized for their accomplishments by the managers through bonus and promotion



(motivating factors). The employees' works are very meaningful, interesting, motivating and challenging for the employee to perform (motivating factors).

Apple Inc. salary structure is appropriate, reasonable and competitive (hygiene factors). Besides, it has offered health care plans to its employees and provides a safe, clean and hygienic working environment as well as update and well-maintained work equipment to the employees (hygiene factors)

### **3. 0 Findings**

When we are analyzing Apple Inc., we found that the working environment in Apple Inc. is less comfortable and relaxing compared to the insane perks that are provided by Google. For instances, Google provides freedom in the working area, free food, transportation and on-site care. However, Apple Inc.' management paid less attention in the degree of comfort of their employees and did not equip the company with advanced facilities. As a prove, an engineer in Apple Inc. said that there were no gym or free lunches and a software engineer complaint about the perks were incomparable with those provided at Facebook or Google. (Fiegerman, 2012) This shows that, Apple Inc. is not providing enough safety needs for the employees according to Maslow's Hierarchy of Needs as well as dissatisfaction of employees with hygiene factors for working conditions in Herzberg's Two-Factor Theory.

On the other hand, Apple Inc. created a culture of secrecy which served well in many areas. However, the adoption and adaptation of the culture have its pros and cons. The pros are there will be no leakages of company high-profile information to the public and protects the company from the huge

competition as well as generate creativity. The disadvantages are tight controls of information and keeping their privacy as well as confidential caused many employees to feel stress in keeping company's secrets. For example, Apple Inc. strictly limits the number of employees with the privilege to know about their new product. Apart from these employees, the rest of the employees will only know about the new product when it is launched. (Lashinsky, 2012) There are also some cases happened that many talented workers tend to leave the company because they cannot adjust themselves to adapt a unique culture of the company. We can conclude that this happens due to the employees' social needs and esteem needs in Maslow's Hierarchy of Needs Theory are not being fulfilled. While according to Herzberg's Two-Factor Theory, the employees are dissatisfied with the hygiene factors for company's policies and administration.

Besides, Apple Inc. is more focus on the hard work and commitment from the employees rather than building the social relationships in the workplaces. The employees who are working in Apple Inc. have to be task-oriented where they have a strict deadline to accomplish their works. Apple Inc. is more focused on expertise and individual performance as compared to the position and roles. Besides, the employees are free to express their opinions and suggestions at Apple Inc and they can also gather information from various sources for decision making purpose. Nevertheless, the task-oriented culture is difficult to achieve economies of scale. (UK Essay, 2013) So we conclude that, even though Apple Inc. is successful in implementing the goal-setting theory and fulfilled the employees' self-actualization needs but they ignore the social needs of employees which are more important compared to self-

actualization needs according to Maslow's Hierarchy of Needs. Furthermore, according to Herzberg's Two-Factor Theory the employees will have satisfaction with motivating factors for achievement as well as creative and challenging work but they will have dissatisfaction with hygiene factors for interpersonal relations and personal life.

Last but not least, leadership is an important aspect for the motivation of employees. However, Apple Inc. depends too much on their previous CEO Steve Job whom passed away on October 5th, 2011. Steve Job was a charismatic leader. Charismatic leaders are people that provide direction, vision and energy to their followers. In addition, Steve Job provided an informal ambience and opportunities for his employees in expressing their creativity. Mark Margevicius (as cited Jansen, Spoelstra & Hafidz, 2012) said that Apple Inc. needs Steve Job very much because he is the one that drive, lead and innovate. Steve Job is a leader that understands and able to fulfill almost all elements in Maslow's Hierarchy of Needs Theory, did a great job in applying the goal-setting theory and tried his best to satisfy the motivating factors and hygiene factors in Herzberg's Two-Factor Theory.

On the other side of the coin, Tim Cook is a leader who knows to appreciate and respect his workers. He was implementing the benefits programs which comprised of insurance coverage schemes, employee stock purchase programs, 401 saving and investment plan and product discount for staffs. (Jobs at Apple, 2013) In fact, every employee from U. S. can enjoyed the 25 percent discount when purchasing on Apple's hardware. In addition, they will also get the pay rise to 25% of their previous wages in 2012. Moreover, many managers in Apple Inc have been offered to cross functional activities <https://assignbuster.com/motivation-and-rewards-of-apple-inc-business-essay/>

which are out of their working area. This can help employees to gain extra knowledge in different fields and be more innovative. (UK Essay, 2013) This shows that Tim Cook is doing a better job in fulfilling the physiological needs in Maslow's Hierarchy of Needs Theory and increasing the no dissatisfaction with hygiene factors for salary and employee benefits in Herzberg's Two-Factor Theory.

However, even with all those improvement in employees' benefits programs Tim Cook was not able to motivate the employees like Steve Job did. Under Steve Job's leadership, apple products are always innovative and perfect. In contrast, under Tim Cook's leadership, apple products contain flaws that caused employees to be worried about the company performance. For example the mistake Tim Cook made by replacing Google Map with Apple Map and launched it with iPhone 5. Apple Map was criticize as life threatening when there was an incident when a motorist stranded within the Murray-Sunset National Park by following instruction from Apple Map. (Epstein, 2012) With criticism like this, Apple's employees are not motivated to work hard for the company due to the failure to achieve task goals in goal-setting theory, dissatisfaction with hygiene factor for supervision in Herzberg's Two-Factor Theory as well as the esteem and self-actualization needs of the employees from the Maslow's Hierarchy of Needs Theory are not fulfilled.

#### **4. 0 Recommendation**

Although Apple is a great company to work for but it still has many areas that the company need to improve in terms of their motivation and rewards methods. According to our findings, we have found out that Apple Inc.'s <https://assignbuster.com/motivation-and-rewards-of-apple-inc-business-essay/>

working environment is not that comfortable and satisfying. So we recommend that Apple Inc. can try to provide a more relaxing working environment to their employees. Research shows that a relaxing environment is able to assist the employees to think creatively and be innovative. For instances, a rest room fully equipped with massage chairs, on-site doctors, dry cleaning can allow their employees to have more time to modify the project before the due date. Besides, private communication facilities should be installed at each floor of the company in order to let their employees to settle their own personal affairs. (Calitz & Greyling, n. d.) These are some of the facilities that are provided by Google. Apple Inc. should employ some of the facilities provided by Google, to create a relaxing environment for the employees to cultivate creativity within them and in the same time reduce their stress on task accomplishment.

Apple's culture of secrecy might discourage their employees' motivation on pursuing their jobs performance. Therefore, it is recommended that Apple should give their employees an opportunity to explore themselves on the whole operation in Apple Inc. For instance, Apple Inc. allows their employees take part in the function from different departments in the company which can inspire employees to be innovative and enthusiasm towards their jobs. However, these opportunities should only be offered to those who are interested on learning certain skills in the related departments.

Since Apple Inc. is more focus on the hard work and commitment from the employees rather than building the social relationships in the workplaces, we are now suggesting that Apple Inc. should actually come out some event to improve the relationships among the employees. For example, Apple Inc. can <https://assignbuster.com/motivation-and-rewards-of-apple-inc-business-essay/>

carry out an annual dinner for all of the employees to gather. This will help to build a good social relationship among the employees. Besides, Apple Inc can also provide some 2 days 1 night trips for the employees. The trip may encourage interflow of different departments' employees and help the employees have a better understanding about the company operation at different department.

Last but not least, Tim Cook is the current Apple's Chief Executive Officer that leads and runs the whole operation in Apple Inc. However, Tim Cook is not a charismatic leader as compared to Steve Jobs. He is rather a friendly leader than a leader who is democratic and bureaucratic. Tim Cook should adapt some of Steve Job's leadership styles as the styles works in Apple Inc. and is able to motivate the employees. He is also advised to be in contact with the employees by listening and understanding their problems and comments on the products specification or issues regarding to their social welfare.

## **5. 0 Conclusion**

Apple Inc. is one of the world's largest information technology companies and there are millions of people that are working in Apple Inc. The successful of a company comes from the employees who are motivated to be there. Therefore, motivating high levels of employee performance is an important organizational concern.

According to the Maslow's Hierarchy of Need Theory, to increase the employee motivation, the basic level of employee needs must be fulfil before the employee moving to more advanced needs. Manager should understand

the employee needs and satisfy their needs accordingly. Once these needs have been reasonably satisfied, the employee will work harder and come out something that creative. This theory is playing a major role in motivating behaviour.

Besides that, the report state that goal setting is essentially linked to task performance. A specific and clear goal are greater motivating factor, it will lead to a greater output and better performance. Manager should set a specific goal for their employees and rewards to those who achieve the target. The intention to work toward difficult and specific goals is a powerful motivating force. Under the proper conditions, it can lead to higher performance.

Moreover, the Herzberg's two factor theory also known as motivation-hygiene theory. It classified job factor into two categories; hygiene factor and motivational factor. Hygiene factor will lead to dissatisfaction if these factors are absent but hygiene factor cannot be regarded as motivators. In addition, the motivational factor is a positive satisfaction and these factors will motivate the employees.

According to the report we write, motivation and rewards is playing a powerful role in motivating appropriate employee behaviour. The most popular rewards programs include open-book management, employee recognition, and pay-for-performance. The successful of the companies comes from employees who are motivated to be there. According to Sir Richard Branson said that, if you keep your employees happy then your

customer will be happy and if you keep your customer happy then your shareholders will be happy.