

Corporate responsibility and marketing strategies essays examples

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Business

Apple's Current Position on Company's Ethical and Social Responsibilities

Valentine and Fleischman (2008) stated that attention to ethics and corporate social responsibility (CSR) is essential because recent scandals suggest that the business values of a certain company are declining. In the case of Apple Inc., the new CEO in the person of Mr. Tim Cook is confronted with a major ethical dilemma in Wuhan, China where some of their workers threatened to commit suicide as a form of protest for the inhumane working conditions at Foxconn. Foxconn is a company that is based in Taiwan and it is one of largest electronics manufacturers in the world (Hinks, 2012).

Foxconn is one of the suppliers of Apple that has 150 Chinese workers, which had to face protesters after they demanded for human working conditions and threatened to kill themselves by jumping from the roof of the factory.

It is a recognized fact that Apple gadgets have earned loyal customers due to the state-of-the-art features offered by new technology and improving the daily lives of many. Apple's decision to place an emphasis on its commitment to render corporate social responsibility after it decided to join the Fair Labor Association. Such move on the part of Apple made it as the first technology company to promote such advocacy. To intensify its efforts, the company collaborated with environmental groups and some Chinese labor rights activists by allowing outside monitors inside their suppliers' factories. The act of Apple in becoming a bona fide member of the Fair Labor Association, teaming up with labor rights groups, and allowing outside monitors inside their suppliers' factories manifest that the company had complied with ethical social responsibilities.

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Corporate Social Responsibility (CSR) that is commonly CSR regarded as corporate social performance refers to the economic, legal, ethical, and discretionary expectancies which the community expects from private corporations at a given point in time (Valentine and Fleischman, 2008). Aside from this definition, it can be concluded that corporate social responsibility signifies a collection of ideals and actions that are being employed by organizations in order to facilitate beneficial relationships with stakeholders, improve public welfare to be able to enhance their competitive advantage (Valentine and Fleischman, 2008, p. 657).

Such violations made by Apple's suppliers had tarnished the good name of the company after the publication of breach of ethics and social responsibility. Apple was able to protect its goodwill after its CEO, Mr. Cook decided to promote the plight of the workers of Foxconn. Such move manifest that Apple does not intend to cause harm to the workers and giving them justice that they deserve. By disallowing further harm to these people shall result to the end of protest that supported the welfare of the workers and improving their working environment. As one of the biggest suppliers of Apple, Foxconn should heed to Apple's advice to provide humane working conditions to its workers. The initial reaction of Apple that showed willingness to fulfill its ethical and corporate social responsibility will boost its corporate image. Therefore, by becoming an active member of the fair labor association signified that the company is promoting employees' rights. Such action on the part of Apple's CEO upholds equality and justice by giving the workers their rights and benefits that they deserve under the labor laws.

One of the methods that can be utilized by Apple to ensure that its suppliers

adhere to wage and benefits standards is by joining the Fair Labor Association. This is a clear indication that Apple is promoting the rights of the workers and has presented itself as an ethical company. Valentine and Fleischman (2008, p. 658) argued that ethical companies are generally known to possess stronger “ shared” cultures that advocate ethical ideologies and business practices among their employees. Foxconn, being one of the major suppliers of Apple should resolve the conflict with its workers by embracing the Utilitarian approach to ensure that the company is making an ethical decision. The purpose of adopting the Utilitarianism is comply with the results-based ethical approach after making a cost-benefit analysis, balancing the negative effects against the positive effects, and choosing the course of conduct that will provide the best outcome for the majority. This approach is anchored on the philosophical reasoning that happy and contented workers will become more productive. Hence, Foxconn should consider the outcome of its decision and the positive effect on the workers and their colleagues, stakeholders, customers, and society.

Another method that can be used by Apple is to impose the obligation on the part of its suppliers to comply with the wage and benefits standards mandated by law to avoid the termination of their contract with the company as their supplier. With such condition, the suppliers have no other option but to comply with the wage and benefits standards to protect its own economic interest. Apple is one of the leading companies in the world and losing the partnership with this company is an outcome that Foxconn will prevent to happen. Thus, Foxconn will be forced to comply with the wage and benefits standards to maintain its standing as one of the biggest suppliers of Apple.

It is strongly believed that Apple's customers will be willing to pay more for its products even if Apple will increase selling their products in order to provide better wages and benefits to the workers of its suppliers. Sean and Lynn (2009, p. 61) argued that ethics is an emerging issue in the advancement business sustainability, the development of ethics, policies, and the promotion of ethical management. Hence, Apple customers will continue to be loyal to Apple's products despite the increased prices if they knew that the money that they will pay Apple is for a good cause. Giving better wages and benefits to the suppliers' workers will serve as an effective advertisement to market their products. This is considered part of the corporate social responsibility of Apple. CSR is considered to be an organization's obligation to make best use of its positive impact on their stakeholders and to diminish its negative impact. Furthermore, CSR has been perceived as the pyramid that consists of four kinds of responsibility that must be taken simultaneously with each other including legal, economic, , ethical, and philanthropic (Sean and Lynn (2009, p. 62). With this good corporate image on the part of Apple, their loyal customers will continuously buy its products even if the cost will increase, knowing that Apple is complying with its corporate social responsibility to the suppliers' workers. The current overall marketing strategy of Apple is by implementing outsourcing strategies to increase its profits and decreasing the cost of their products will ensure longevity in the economic success of the company. In order to improve its competitive advantage in the global marketplace, it is strongly recommended for Apple to maintain the implementation of the hybrid strategy, differentiation strategy and cost leadership strategy (Tan,

2013, p. 98). By keeping these strategies continuous operating will uphold the “ Think Different” philosophy. Apple must exert reasonable efforts to work for the innovation of its products, management process, marketing and services shall form part of the differentiation strategy (Tan, 2013, p. 98). Furthermore, Apple must promote the “ Switchers” campaign and by focusing on the needs of their customers as part of the aggressive advertising strategy. By enticing Microsoft users to shift to Apple is part of the aggressive marketing strategy that will result in the expansion of the company’s market shares. Apple must be able to build new competencies to compete for predominance in the global marketplace by increasing self-enhancement of its corporate image. To illustrate this, Apple should invent new edges for its market by developing and improving its products such as the iPod series (Tan, 2013). It is also recommended for Apple to build a solid foundation with the government and schools as the main sources of profit for PC consumers (Tan, 2013).

With the strategic approach of the companies past and present CEOs have established the character and personality of the brand Apple Inc. At present, Apples continues to lead and emerge as one of the major players in the Consumer IT industry. This was achieved using marketing based strategies, product-based strategies, and proper risk-management (Nair and Leng, 2012, p. 23). Apple has come a long way in history after one of its founders and CEOs, Steve Jobs developed the Mac Operating system and graphics designing software and introduced it with other markets through good marketing based strategies. This is part of the management change of Apple to ensure its continued success by focusing on the cost reduction, financial

management, proactive control, risk control, strategic repositioning, and consolidation change management (Nair and Leng, 2012, p. 23).

Thus, the act of Apple CEO, Mr. Cook will be promoting the welfare of the workers by pushing Foxconn to comply with adhere to wage and salaries standards. Some of the negative impact of non-compliance resulted to the death of the workers of Foxconn, while majority of them attempted to commit suicide due to the unacceptable working environment. The action of Apple is commendable for deciding to use the rights-based approach and common good approach by influencing Foxconn to grant the basic rights of the workers under the labor laws.

Therefore, the role of the CEO played an essential role on the improvement of productivity, diminishing employee turn-over, augmenting job satisfaction of the workers, which resulted to the personal commitment of the employees to achieve the continued success and goals of the organization (Alsmadi, 2010).

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