

# Management issues at apple



## **Introduction**

Apple Inc. is an American multinational technology company was established in 1977. Apple consider as one of the most profitable companies in the world as well as plays a vital role in electronic and technology innovative. They work on the designs, develops, and sells different type of electronics, computer software, and online services such as smartphone, tablet computer, personal computer and media player. The net sales of the company in 2017, were rated at \$ 229. 2 million, which is rose by 6% compared to 2016. Apple full-time employees around the world had reached more than 132 thousand. Most factories of the company are located in Asia. I became interested in Apple management after reading articles and researches about their management as well as how they manage a company which people around the world are fascinated by anything related to it. In the contemporary world, Apple like many other large and small businesses have faced complex and critical problems. The aim of this essay is to discuss and analyses Apple's management practice to deal and address three of the issues which consider as contemporary issues in management, All these three issues consider as social responsibility issues. Firstly, modern slavery issue, secondly, gender gap issue. Finally, child labour issues. The concept of Corporate social responsibility (CSR) is a wide concept that covers many different subjects such as human rights, corporate governance, health and safety, environmental effects, working conditions and contribution to economic development (Singh and Kaur, 2018). In general, it has become important for the wide range of companies to illustrate and show themselves as a part of social welfare and environmental protection by involving and

create CSR activities such as support education by building schools and using renewable energy.

### Modern slavery issue

It has become fundamental for each business to take into account human values. Apple's website provides us with a number of reports and policies illustrate their highest concern of social responsibility and their implementation in healthcare, education, and environment. However, In 2010 Apple showing conflict results of what they claim about their concern of labour and human rights. the media has criticized Apple aggressively regarding workers conditions in term of workplaces, health, and safety at the suppliers in China. Media has published that Apple involved in modern slavery issue. Based on pieces of evidence that indicate working conditions in the Foxconn company, which is the largest manufacturer of Apple products with around 1.3 million employees as well as what happened in other Apple manufacturers. Apple also found and stopped discriminatory practices against women workers in 34 supplier facilities that required pregnancy testing and 25 facilities that tested employees for certain medical conditions, the report said. (Gupta and Randewich, 2013).

According to The Guardian and many pieces of research and media resources, the first serious problem of social responsibility emerged during 2010 at Foxconn when workers in the assembly-line committed suicide also around 18 attempted to suicide and 14 founded deaths. However, when Steve Jobs asked about the increase of suicide rate at Foxconn, he said “ We're all over that” and the rate of that was within the national rate

(Merchant, 2017). In addition, there was an explosion at Foxconn killing two employees and sixteen employees were injured. Another reported problem was in the same year, a number of employees at Wintek one of Apple manufacturers got chemical poisoning by n-hexane which used to clean the touch screens of iPhones. based on the employee's complaint what Wintek offered as recompense for the health damage was not enough (Singh and Kaur, 2018). Apple additionally discovered instances of adolescents being utilized to lift overwhelming merchandise, employees having their wages docked as a penalty and one of the manufacturers throw waste oil in the toilets (Moon, 2013). Considering all of this evidence, it seems that Apple's employee's health and safety messages are dishonest and not real. Furthermore, the harsh work conditions inside Apple manufacturers.

Since it was reported in 2010 about issues in Apple manufacturers and its worker's condition. Apple has been tried to contribute to enhancing labour and human rights in their Chinese and Western companies. According to Dudovskiy, (2018) Apple implements the provider code of conduct that is professed to be the hardest in the electronics business. In addition, it has accomplished an average 95per cent consistency among providers to greatest 60-hour week's worth of work. Apple has researched in instances of maltreatment of suppliers workers, as well as the organization has force providers to offset influenced “ foreign contract workers USD3. 9 million in excessive fees paid to labour brokers, bringing our total reimbursements since 2008 to USD16. 9 million” (Apple. com, 2018). In term of health and safety for employees, the organization has propelled Apple Supplier EHS Academy, an 18-month program, that direct to enhance workers wellbeing

and security in the business all through the globe. 240 provider and 270, 000 employees have taken an interest in this program. Research has been directed in Apple's ergonomics division on around 75 employments inside store network to distinguish ergonomic dangers. The examination has brought about enhanced norms for overseeing workstation configuration changes (Dudovskiy, 2018).

According to Merchant,(2017), however it was difficult to talk with the workers, we interviewed several workers in Shenzhen and Shanghai dozens what people said was about it is normal to heard that people kill themselves, complained about long working hours, high turnover most of the workers work for one year, harsh management also there were no changes after the media coverage. On the other hand Angela Ahrendts spoke of the initiative in accepting the Stop Slavery Award in London. The award recognizes Apple's efforts in fighting poor labor practices in its supply chain through robust auditing programs and annual progress reports. (O'Hara, 2018). In addition, one of Apple critics was Amnesty International which has lauded the organizations endeavors however demands it can in any case accomplish more. (O'Hara, 2018). " The company tried so hard to stop the suicides, not by digging out the roots of exploitation, but by erecting ' anti-jumping nets' atop its buildings," Professor Qiu wrote. " Never before has a modern factory hidden behind such suicide-prevention netting which last appeared on transatlantic slave ships centuries ago."(Ried, 2017). Labour rights groups as been blamed Apple, the world's most significant innovation organization, for building benefits on the back of inadequately patronize and underpaid laborers in Asia (Peters and Mukherjee, 2014).

## Gender gap issue

gender gap is, for Cambridge Dictionary, the situation when men and women are treated differently in society, or between what they do and obtain. In addition, it is important to know that gender gap issue could be gender pay or diversity gap. In deep, Apple like many others tech company face a significant problem in term of the pay and diversity gap between man and women as employees. Regarding to the first Apple diversity report in 2014 Apple find that 70 % of its employees around the globe which is 98, 000 are men, a percentage that increases to 72% for leadership roles and 80% for specialized jobs in technical. However, Apple CEO Tim Cook said “ inclusion and diversity” are on the highest priorities for Apple. In addition, the organization declared that it’s been supported and participated several sponsoring organizations and education by millions of donations such as the Human Rights Campaign and National Center for Women & Information Technology (Lowensohn, 2014). As far as gender pay gap is concerned, Mr. Cook said at the company’s annual shareholder meeting in 2016 that they discovered that ladies earned 99. 6 pennies for each \$1 that men did, he also added that the organization was taking measures to delete the disparity (Benner, 2016).

With regard to what Apple said about gender gap issue, Apple published in the last updated of Inclusion & Diversity report that it has achieved a slight improvement in employing more female and they also, guaranteeing those representatives are paid equivalent to their white male partners. The report indicated that the overall percentage of the females in 2014 was 30% and in 2017 it increased to 32% not only that it shows that 39% of Apple’s leaders

under 30 are females. In addition, it's mentioned that as a major aspect of our duty to pay equity, we've avoided question some information about their pay history in the United States and are actualizing this policy all around. According to Dudovskiy (2018). In 2016 the organization achieved paying equally to workers by analysing pay rates, rewards, and yearly stock awards, to guarantee its laborers in comparative jobs with impartial execution win a similar measure of money. As well as, Apple points out that in the last 12 months 37% of new contracts were females. At the beginning of 2018 the organization has hired new heads of HR and diversity, and in order to address the problems of inclusion which have been criticised in tech companies it has included new internal projects not only that it has also been offering help in some outward-facing issues (Griffin, 2018). After the UK government requirement for all businesses that have 250 workers or more to publish if they pay males and females equally, figures of Apple's worker's salaries illustrate that its pay women better than men in some cases (Griffin, 2018).

Griffin (2018) argue that in any case, Apple still had some vital contrasts in the way that males and females are remunerated. In addition, there was a 5% gap in average hourly pay, also a considerable gap in the rewards that female and males get with normal distinction a 22 % average difference. In term of diversity gap, according to voluntarily released diversity reports. In spite of endeavors from the absolute greatest and most incredible tech organizations, diversity still an issue in Silicon Valley (Leswing, 2016).

Commenting on Apple diversity, The Rev Jesse Jackson said “ They are clearly setting the pace, making measurable progress for three consecutive

years. They've acted with intention, not just aspiration," (the Guardian, 2016).

### Child labour issue

Child labour is one of a human rights issue, which has become a controversial topic in the business press and researches, according to the UNICEF more than one of every ten of the world's youngsters are involved, despite the fact that in a few nations it's as high as five of every ten. In 2012 Apple in its Supplier Responsibility report has pointed out that they were involved in excess of 100 cases of employing child workers. One of Apple's supplier in China utilized 74 children younger than 16, not only that another 10 organizations were involved in the same issue that what the company said. On the whole, 106 cases were recognized of underage work being utilized at Apple providers in 2012, including 70 out of almost 400 providers. In addition, Apple said that suppliers were employing children under fake identities.

According to Apple that one of the well-known recruitment agency in the area named Shenzhen Quanshun Human Resources which had supplied children, it had planned with families to fake the children documents.

According to human rights organisation Amnesty International 2016 report that cobalt – which is utilized in lithium-particle batteries by many large tech companies like Apple, was being mined child labourers in the Democratic Republic of the Congo.

Jeff Williams Apple senior VP of tasks Jeff Williams said the organization has expanded its endeavors to fathom two of the most difficult issues –

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guaranteeing there are no under matured laborers in its production network and restricting working hours to 60 hours every week (Gupta and Randewich, 2013). Apple said that it axed Guangdong Real Faith Pingzhou Electronics, one of its Chinese supplier, which is a producer of circuit board parts, after it had discovered the fact that this company had employed 74 children under the age of 16 on its production lines. According to the Apple annual report 2012 that the company gave the local authorities all details about the supplier and the employment agency who were involved in child labour Issue. Although child labour mirrored a little proportion of the employees, Apple currently investigating its junior suppliers - which commonly supply parts to bigger suppliers and henceforth confront less oversight on such issues - to bring them into consistence, in some cases even terminating them, Williams said " We go deep in the supply chain to find it," (Gupta and Randewich, 2013). Since some organizations in China are covering work shortages by utilizing students as well as where numerous universities expect student to finish temporary jobs as a major aspect of their educational programs, Williams in 2013 said a key concentration for Apple will be employing students and guaranteeing that providers offer well internship system. Apple has required employer to brought children back to their families as well as " pay expenses to facilitate their successful return". Albeit 95% of the offices investigated by Apple agreed to child labour laws, transgressors were advised to return minors to a school picked by their family, gave them education fees, and equivalent wage to which they were paid in factory (Garside, 2013).

However, Apple claims that we don't condone children labour and juveniles must be given special treatment, it have many under-18s worked indistinguishable extend periods of time and same conditions from grown-ups, China Labour Watch (CLW) said (Armitage, 2013). From August to October in 2017, Zhengzhou Foxconn enlisted more than ten thousand understudy laborers in the hurry to create iPhone X gadgets. Those understudy specialists were liable to indistinguishable level of work force from grown-up laborers and needed to work night shifts. Simply after the Financial Times distributed their report of this circumstance in November did conditions at long last become better (Chinalaborwatch. org, 2018).

However, Apple, Samsung and Sony among others significant innovation organizations have been blamed by human rights associations for neglecting to do essential checks to guarantee their inventory network does not include youngster work, Just Apple and Microsoft said that they had found a way to address human rights issues in the high quality mines in southern DRC (Rodionova, 2016).

## Conclusion

The above research attempted to show how Apple addressed three of contemporary issues in management in term of corporate social responsibility which are modern slavery, gender gap, and child labour. Although Apple showing its efforts and focus on CSR aspect, no company can avoid contradiction and contention about its conduct. These three issues are parts of the larger supply industry, which also take media attention. ensuring appropriate systems, treatment and support for the workers should be a priority for Apple. Although Apple is transparent about its supply chain it <https://assignbuster.com/management-issues-at-apple/>

needs to consider that these issues affect the organization reputation as well as dropping sales and income losses. Greater efforts are needed to show its concern for society, not only by contributing in social responsibility activities in term of environment and social wellbeing also its need to provide evidence to prove their efforts to enhance and control its supplier responsibility practice. Apple should illustrate what it has learned and what the impacts from these issues. According to several pieces of research and news, not only Apple involved in these three issues most of the electronics industry such as Sony, Samsung, Vodafone and Microsoft were involved in either one or more of these issues. Apple as one of the largest companies in its industry can play an important role which will give a positive image to the society by improving not just its worker condition and practicing CSR in its supply chains but the entire worker condition in the electronics industry in term of modern slavery, and gender gap and child labor. In addition, that is what people assume and expect from Apple.

on the opportunities and challenges for

your selected company, and what the

firm might do differently or more effectively deal with them going

forward

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