

Expectancy theory applied in apple inc business essay



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Apple is an American multinational corporation that designs and markets consumer electronics, computer software and personal computers. Apple headquarter was established in Cupertino, California on April 1, 1976 and incorporated January 3, 1977; the company was previously named Apple Computer, Inc. for its first 30 years, but removed the word “ Computer” on January 9, 2007 to reflect the company’s ongoing expansion into the consumer electronics market. The founded of the Apple was Steve P. Jobs, who was born in the U. S. Steve P. Jobs also was the Apple chief executive officer, CEO.

The company’s best-known hardware and software products include iMac, iPod, iPhone, iPad, MacBook, iTune and operating system example the latest technology IOS6. During August 2010, the company operates 301 retail stores in ten countries and an online store to sell its’ product. Apple is the one of the largest companies in the world and the most valuable technology company in the world compare to Microsoft. Apple is a consumer goods company and therefore evaluating its value requires understanding its products and consumers. Apple facing this difficult problem because it competes with many different companies throughout the different industries it takes part in.

In addition, the thing must know about Apples is that a lot of press is associated with their CEO, Steve P. Jobs. He is seen as the architect of many of Apple’s amazing products and the reason for their success. His presentations at Apple’s media events are “ electrifying” and revolutionary. Comparing a Steve Jobs presentation is nearly impossible. He is in a league all his own. His presentation is brilliant demonstrations of visual storytelling

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that motivate customers, employees, investors and the entire computer industry.

The company is committed to bring the best electronic and communication device to consumers, students, government and businesses through its innovative their hardware and software. The company's is ability to design and develop its own operating system, hardware and software to provide its customers new products and solution with superior ease-of-use.

Furthermore, Apple also had gives many motivation and rewards to their employees and staff. With the motivation and rewards that Apple gives, this will give more courage and confidence to their employees. Their employees will also feel more happy and satisfy with their company, due to that they are one of the asset of the company, not liabilities of the company.

2. 1 Principle and Concept Applied

Theory X- is a negative perspective of people which assumes that workers lack of ambition, dislike work, run away from responsibility, and have to be closely directed to work effectively (DJ Ware, 2011).

Theory Y- is a positive perspective which assumes workers enjoy work, self-motivation, responsible and apply self-discipline (DJ Ware, 2011).

Theory X and Y applied in Apple Inc.

Apple Inc., as a successful organization, has their own effective ways to motivate the employees. Steve Job, the cofounder of Apple Inc., was a perfectionist. He was always considered to be a great motivator. He pushed his workers as far as they could go and sometimes it didn't end well. Steve

Job has been criticized many times for treating his employees harshly but many of his employees do admit that they achieved things that they never thought they could because of the pressure he put on them. He always wanted to be sure he was making the right decision so he would always think every possible choice option through before he made his executive team and they often would argue the pros and cons of each idea before a decision was made (Nathan Schiller, 2012). We could consider that both McGregor X and Y Theory were being applied by Steve Jobs

In X Theory, workers have to be driven to involve in carrot and stick management. Carrot and stick management was applied by Steve Jobs to develop worker's potential. For example, when people do not stand for the Macintosh project, he fired those that stand against him and hired other great workers. In fact, he kept those who can work with him tend to be loyal such as his A team programmers, executives and designers.

Steve Job used the McGregor Y Theory. This is because he would motivate the team as a whole instead of just managing his staff. He believed that his workers would work to their full potential if given the right push which is sometimes why he treated them harshly. He believed his employees could be great and he wanted to see them succeed. For example, Ratzlaff, a creative director of Apple Inc., had created an excellent design for iMac. This new design was not supported until Steve felt impressed with his design. Steve Jobs praise Ratzlaff and he felt happy as Steve Jobs is a person with high expectation which almost no people could give him what he wanted.

Maslow's Hierarchy of Needs Theory – is the best known motivation theory proposed by Abraham Maslow which involves the needs in term of (Steve Denning, 2012):

Physiological: Food, drink shelter, sex, and other physical requirements

Safety: Security and protection from physical emotional harm

Social: Affection, belongingness, acceptance, and friendship

Esteem: Internal esteem factors such as status, recognition and attention

Self-actualization: Growth, achieving one's potential, and self-fulfilment.

Below is a detail plan of example of Apple Inc. to satisfy each of these needs:

1. Physiological needs: Apple Inc. provides reasonable refreshment breaks, work hours, and physical comfort for their employees to work.
2. Safety needs: Apple Inc. has done a great job in giving for these needs, such as base compensation, safe working conditions and benefits. They could still have improvement in job security, which is to get rid of the threat that a lot of workers afraid of losing their jobs because of their performance.
3. Social needs: Apple Inc. has tried to improve the environment between managers and employees. This could help the individuals to consider that the sense of belonging to be of vital importance.
4. Esteem needs: Apple Inc. satisfy their employees esteem needs by proving them responsibility for important jobs, giving chances for promotion

to higher job status, and recognition from Steve Jobs. They always ensure their workers know that their contribution can help in achieving the organizational goals.

5. Self-actualization needs: Apple Inc. has always provided creative and challenging work to their employees through the products they develop. If the challenging work is done perfectly, this could make their employees to feel that they are already in the place they want where their self-actualization is satisfied.

Goal-Setting Theory- The theory defines the vital relationship between goals and performance. Predictions that the most effective performance seems to result when objectives are challenging are supported by research when performance are evaluated and align to feedback on results, and acceptance and commitment are created. (Fred C. Lunenburg, 2011)

Apple Inc.'s Goal-Setting Theory

The " goal-setting theory, is one of the process theories that is applied to the Apple Inc. They highly focus to motivate their employees to accomplish challenging task goals. The appropriate goals-setting management within Apple Inc. is always able to help in clarifying performance expectations. A foundation for behavioural self-management has been provided by Apple Inc. It could motivate the work performance and self-satisfaction of the employees within the Apple Inc.

Expectancy Theory - says that an individual tends to act in a certain way with the expectation that the act is followed by a desired outcome.

Expectancy is the effort-performance linkage; instrumentality is the performance-reward linkage; and valence is the attractiveness of the reward.

Expectancy Theory applied in Apple Inc.

Apple Inc. uses expectation theory to motivate the employees to achieve the goals which are measurable, attainable and specific. Employees attempt to increase their job performance level to get the valued rewards.

However, it seems to be idealistic because most of the people perceive highly correlated between rewards and performance. So, Apple Inc. concern on each of the employees and provide them beneficial welfare. This can improve the performance level of the employees although the rewards are not as employees desired. Apple may ensure that the employee can achieve the aimed performance level by observed the employee's ability to make the company operations more effective.

2. 2 Company's Operations/ Practices

Apple Inc. has always been considered the most admired and innovative company today. They reveal that the employees' motivation is a key success factor. So, their employees are given incentives and rewards in order to sustain high motivation and foster creative thinking.

Apple Inc., for instance, rewards its employees by giving them a reward bonus around 3% to 5% of their base salary, unless they fail to achieve their target. Obviously, they try to sustain employee's motivation and commitment. Apple Inc.'s employees will receive a free iPod Shuffle or iPhone as a reward for their accomplishments.

As of July 2012, Apple Store employees have gotten pay raises of up to 25 per cent of their salary because of great performance. In addition, Apple CEO Tim Cook created a discount system. Under the new system, Apple Inc. employees received \$500 off of a Mac or \$250 off of an iPad. This discount, which can be used every three years, is available to all employees who have worked for the company for at least 90 days. Employees are also always getting a fixed 25 per cent discount on Apple hardware.

Apple Inc. is a good example of an organization that is not only capable of motivating employees to do some achievement, but also of making them willing to do. Apple Inc. fosters both intrinsic and extrinsic motivation through organizational factors such as a culture that encourages commitment that recognises employees' achievements and value by offering financial and non-financial incentives. A successful company always come with reward system which involves both financial and non-financial incentives. This is exactly what Apple Inc. has done and this approach is proven to be effective.

3. 0 Problem encountered by Apple Inc.

Currently Apple Inc. is listed in the ranking as one of the most valuable and largest company in the world. Apple Inc. has reached a milestone some way have thought unthinkable a decade ago. Its valuation surpassed \$620 billion, making Apple Inc. the most valuable company in history. But, as the saying goes by, ' When you are on top, everyone wants to knock you off your pedestal, and this is true for Apple Inc.

The biggest problem Apple Inc. facing in the terms of motivation and rewards is the death of Steve Jobs strives along the death of goals, purposes and ideas that were created by Steve Jobs. This impacted not only on employees, but also the supplier and customers. People doubts and waits for the performance of Apple Inc. without Steve Jobs. The famous question been asked, ' how would the Apple Inc. be, without Jobs'. Demotivation is the result.

Furthermore, the strong competitor also affected the Apple Inc. in terms of motivation. No matter how innovating the Apple Inc. has done, the rival among the competitor are just too strong, most of them are improving a lot more than Apple Inc. is improving. The employees are unable to maximize their talent and effort since they cannot get into same pace as the competitor did. The great example is Samsung innovate the foldable screen that impressed the world technology. This would stress the Apple Inc. staff and result in demotivation. Besides, the declining sales of iMac have become the issue that demotivating the employees. In a such competitive world, the other computer manufacturer are doing great thus provides many alternatives for the consumers.

On the other hand, the increasing of downloading music sites from time to time will make a big effect on Apple Inc.'s performance. Users are able to download music free of charge through online websites, not like the Apple Inc.'s product, the iTunes is not capable to do so. No matter how innovative and how impressive the iTunes workers worked on, surely more users will choose the free of charge software instead of Apple's iTunes which costs real money for downloading music, the workers get discouraged on their effort.

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In the aspects of market share, the Microsoft is having high value of market share which tension the staffs in Apple Inc. in all levels. The better the competitor is doing, the more the tension they would get which will have significant impact in terms of motivation among the workers. Furthermore, there are distance between Tim and Jobs. The current CEO of Apple Inc. Tim Cook is unable to recognize the products' weakness before it launch, even after the product launched, the problem is not fixed and what he did is apologizing that Steve would never do, instead of that, Steve will try his best to satisfy the customer satisfaction and maintain the good reputation and hold the loyal customers. This is what the current CEO, Tim Cook is incapable to do so. Unless Tim proves himself by future brilliant performance, the customers and employees will be demotivated from time to time and this would pull the Apple Inc. down which the rivals are hope to see. The inner motivation is very hard to identified, particularly in large companies where everything is standardized, its evaporation often goes unnoticed till the moment when there emerge serious working problems or an employee leaves, quite unexpectedly for the company. Yes, Tim is good at being a leader but since the reality shows that valuable employees are quitting their jobs, top managers are leaving, and those who stay do not display the desired degree of zeal and enthusiasm.

4. 0 Recommendation and Suggestion

Based on the above finding, we could see the Apple Inc. have growth to a very valuable company. The death of Steve Job should bring the Apple Inc. a great impact. However, Steve Jobs has done what he wanted to do by promoting the iPhone before he passed-on. This is the biggest turning point

of his business as well as the organization, everyone in the world was been convinced by his presentation, his word, his speech, his body language and etc. However, does it mean Steve Job pass-on is going to end of Apple Inc.? What will happen to Apple Inc.?

Yes! Apple Inc.'s manages fight side by side on Samsung, which one of the strongest competitor against Apple Inc. Even though, Steve Jobs passes-on but the people in the organization also being motivated because of Steve Jobs hard work and effort has been motivated them. Samsung indeed is their strongest competitor but Apple does manage to overcome the obstacles.

What can we give as suggestion, the HR Department have to create or making event which motivates the employee. For example, spread a section from tea time into Happy Hour or implement after work gathering. Beside that, it also can set a goal or task has to be done within a day, a week or a month. In order to achieve such goal or task, of course there will be a reward, like small gift, hamper, accessory, or higher authorities have a treat to their subordinate. All of these are the example which provide the employee to work in a better way as well to motivate and encourages the employee to boost their working abilities.

As we continue, Apple Inc. does face another difficulty. This is era and such advance of IT (information technology) , people tends to use something called internet, help them crack into the website and downloading such as, information, song , picture, document and many more application or useful ingredient. Meanwhile, Apple does have a link with iTunes, everything inside is needed to be pay. For example, download it and we have to pay \$ USD 0.

99 for a song. But, it does provide us the preview button that allows us to feel the joy of few seconds. Therefore, the employees do feel discouraged as they putting their working life on the line. For this, Apple Inc. could provide better reward or package into one deck of songs instead \$ USD 0.99 is equivalent one song. This could attract the eye of people and have a higher chance on them to purchases. On the other hand, as for the employee who work under iTunes cooperate with Apple Inc. these hardworking worker may add on features like linking into radio station so it could help to advertises the songs or news around the world. Beside that, the advertisement could make a little small money from it. By using this money could put it into a central piggy bank so this money is mean for those workers. How this work? Or Motivate? Or Rewards?

Despite the employee, want to take a break or rest for a moment and have a cup of tea and they can spend their tea by deducting from the central piggy bank.

In addition, Microsoft has been doing well and their market share value gone up, this could make Apple Inc.'s employee to be more tension in all level, department. The better the competitor is doing and the more the tension they could be. This is a strong and common impact can be throwing from competitor when the competitor is strong.

Apple Inc. has to take measure and precaution of this matter. If not the competitors will be overtake the current Apple Inc. Indeed, Tim is great in leading, leadership but the reality shows that valuable employees are

quitting their jobs, top managers are leaving, and those who stay do not display their enthusiasm.

Conclusion in recommendation, before the matter goes into more serious or further negative impact to the organization it is better to find a solution. To overcome such problem, Apple Inc. may look into the details and spend a little money on doing survey of feedback. With the help of the feedback, things can be done easily. Moreover, in surveys may penetrate the customer expectation; fill up what is missing in the needs of the customer by providing a better services and efficiencies. Hence, suggesting ways for Apple to improve is providing a training and incentive for the employees. Next creates a good and comfortable environment for the employee so they won't feel the level of tension in the working area.

5. 0 Conclusion

As a conclusion of the whole report, we had learned that Apple Inc. is one of the most valuable organizational with technology in the world. When Apple introduced and launched its own product such as iPhone, iPad, iPod, iMac and so on, it's definitely give a very amazing effect to their customers. When Apple Inc. hired Steve Jobs as a Chief Executive Officer, CEO, he had change the Apple organization from an unknown company to become one of the most popular organization's in the world. It is very obviously that Steve Jobs are facing the challenge from the other competitor whereby their main competitors are from the Samsung and as well as Sony and Nokia.

Steve Jobs had introduced many types of motivations and rewards to his employees in the organizations. He always forced and put himself and the

workers into the hard pressure so that they can achieve an unexpected feedback. He always made sure that he was making the right decisions, that before he is going to executive his team. At the same time, they were an argument with his employees in terms of pros and cons. It is very important that the employees had shown the teamwork among each other. In Theory X, those workers have to be driven which involving in carrot and stick management. Whereas, in the Theory Y which introduce by McGregor. Steve Jobs as a leader of the organization, he must always motivate the team instead of just managing the whole organization. He is also believed and fully trusted that his team are able to perform well and show full of potential.

Apple Inc. sometimes will also do some mistake on it. It is better to overcome by having survey and feedback from the customers. Besides that, it is a huge lost to the Apple Inc. and the United States when Steve Jobs was passed away. Tim Cook as a current CEO of Apple must always motivate and reward his team so that the employee's will not quit from the Apple organization. Apple must keep their momentum so that it can remain as one of the top organization in this world.