

Getting to the Core: A Case Study on the Company Culture of Apple Inc.

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ABSTRACT

GETTING TO THE CORE: A CASE STUDY ON
THE COMPANY CULTURE OF APPLE INC.

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Company culture exists within every organization and makes up the company's DNA. Apple Inc. (Apple) is a worldwide technology company that innovates new products and services while having environmental practices in mind. The purpose of this study was to examine the company culture of Apple. The researcher used a best practices guide to evaluate Apple's company culture. This study found that Apple is effective in their company culture practices, however, could focus their efforts more on employees. In order to continue to have a positive company culture, Apple should focus more efforts on employees and utilize a more adhocracy style culture.

Keywords: company culture, values, innovation, Apple, culture categories

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Chapter 1

INTRODUCTION AND REVIEW OF LITERATURE

Background of Study

Companies worldwide are utilizing company culture as means to attract talent, improve employee performance and satisfaction, and company innovation. Culture in its basic form is defined as, “a system of values--which are simple preferences for one state of affairs over another. This system is the power driver of every decision we make, our cultural playbook” (King, 2012, p. 690). Since culture impacts decision-making, it is only natural that culture be applied to the workforce as well. Company culture has become increasingly important to potential employees when choosing employment, and a factor of whether or not to stay at a company. Company culture is defined as, “[the] values, beliefs, and norms that influence the thoughts and actions (behavior) of people in organizations” (Flamholtz & Randle, 2011, p. 27). The beginning of the modern company culture movement can easily be seen in northern California’s Silicon Valley. In the 1970’s, Silicon Valley became one of the world’s leading centers of electronics innovation (Saxenian, 1994). Silicon Valley has continued to be a powerhouse due to its evolving regional-network-based system that “promotes collective learning and flexible adjustment among companies” (Saxenian, 1994, para. 5). Rather than each company staying isolated from each other, Silicon Valley encourages collaboration and innovation, without losing its competitive nature. This collaboration empowers individuals to discuss findings with others in order to discover new ideas and technologies. Companies in Silicon Valley have set an example and standard for what company culture practices

should look like in order to have a happy and successful company. The purpose of this study was to examine the company culture of Apple Inc. (Apple).

Review of Literature

Research for this review of literature was conducted at Robert E. Kennedy Library on the campus of California Polytechnic State University, San Luis Obispo. In addition to books and other resources, the following online databases were utilized: Academic Search Premiere, ABI, Business Source Premiere, and Google Scholar. This review of literature includes the following subsections: company culture, company culture and its progressive nature, and company culture within the Silicon Valley.

Company culture is defined as, “[the] values, beliefs, and norms that influence the thoughts and actions (behavior) of people in organizations” (Flamholtz & Randle, 2011, p. 27). Just as ones set of values may differ from another’s, so do company values, which influences different company cultures. Cameron and Quinn (2006) place company culture into four categories: hierarchy, market, clan, and adhocracy, along a two-dimensional model called the Competing Values Framework (CVF). Each of these cultures has distinct characteristics and values based off of the dimensions of flexibility and discretion versus stability and control, and external focus and differentiation versus internal focus and integration (see Figure 1).

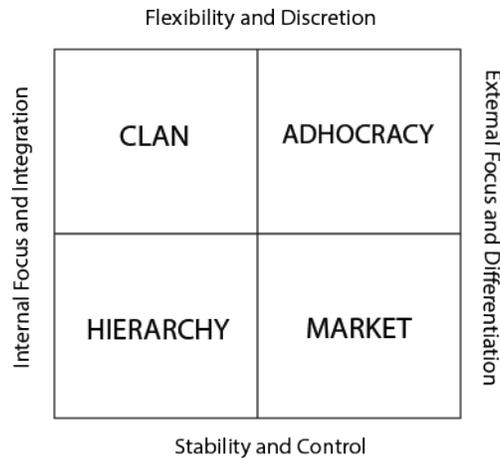


Figure 1: Competing Values Framework (Cameron & Quinn, 2006)

A hierarchical culture is characterized as formal and structured, with long-term concerns of stability, predictability and efficiency (Cameron & Quinn, 2006). This structure was adopted widely in the mid 1900's until the late 1960's when the market culture came about. In a market culture the organization is focused towards the external environment, such as suppliers and customers, instead of internal affairs. This culture is characterized by competitiveness and productivity. The clan culture contrasts both the hierarchy and market cultures in that it is centered on teamwork, employee involvement programs, and corporate commitment to employees. Instead of cut and dry rules and regulations, the clan culture encourages an empowering environment for employees. Adhocracy is the fourth culture. This culture emerged as the developed world shifted from the industrial age to the information age in the mid 1970's. The adhocracy culture is characterized by Cameron and Quinn as a set of assumptions that say,

Innovation and pioneering initiatives are what leads to success, that organizations are mainly in the business of developing new products and services and preparing

for the future, and that the major task of management is to foster entrepreneurship, creativity, and activity “on the cutting edge.” (p. 43)

Each organization operates between one or more of these cultures and evolves as a company matures. While company X may fall under solely an adhocracy culture in the beginning stages, it may evolve into having a market culture with an adhocracy subculture during a later stage (Flamholtz & Randle, 2011). All four of these cultures operate differently from each other in theory, as well as in practice, and influence different factors of a company.

Cameron and Quinn’s Competing Values Framework model has been evaluated in multiple studies by connecting it to innovation and performance (Sanz-Valle, Naranjo-Valencia, Jimenez-Jimenez, and Perez-Caballero, 2011; Naranjo-Valencia, Jiménez-Jiménez, and Sanz-Valle, 2016). Cameron and Quinn’s CVF model is considered “one of the most influential and extensively used models in the area of organizational culture research” (Yu & Wu, 2009, p. 37). After conducting research, and hypothesizing that an adhocracy culture would have a positive effect on innovation and hierarchical, market, and clan cultures would have a negative effect, Sanz-Valle et al. found that the research did not support a direct correlation in either direction for any of the cultures, but that there were findings to having indirect effects for the adhocracy and hierarchy cultures. However, five years later, Naranjo-Valencia et al., conducted a similar study and found that there were direct positive correlations of innovation in an adhocracy culture and direct negative correlations in a hierarchical culture, while both market and clan cultures still had no effect on innovation. With the growth of equipment, Naranjo-Valencia et al. had the opportunity to relook at data and confirm direct results between company culture

and innovation in the adhocracy and hierarchy cultures. In regards to company culture and performance, Naranjo-Valencia et al. took the same study and found that an adhocracy culture has a positive effect on performance, a hierarchical culture has a negative effect on performance, and both market and clan cultures have no effect on performance. In only the short span of about 25 years, company culture evolved into four distinct sectors (Cameron & Quinn, 2006) with research supporting an adhocracy culture leading the way for innovation and performance (Naranjo-Valencia et al.).

An important concept to bring to light is the concept of flow- a state in which a person experiences joy, creativity, and total involvement with life in the present moment (Csikszentmihalyi, 1990) –and its role in company culture. Perschel (2010) identifies the traditional work-life balance myth, noting how this theory is a “paradigm that is neither healthy nor productive for businesses, employees, families, or communities... Seeking the formula for the perfect way to divide our time and energy between work and life, we strive for the near impossible, and then feel guilty” (p. 18). Perschel suggests a work-life integration utilizing flow is the key to a successful company culture.

Companies such as Zappos, an online shoe and accessory retailer, have found ways to infuse flow into work, not only to provide a positive experience for employees but also believing that employees working in flow have higher engagement, which makes the business more successful (Perschel, 2010). One way that Zappos is able to integrate flow into its company is starting at their company core, with their purpose. Their purpose is to deliver happiness to customers and employees through a great experience, which provides intrinsic meaning to employees work (Perschel). Another core aspect of how Zappos incorporates flow into their company culture is in their unique set of values that

encourages employees to have fun on the job, build a positive team and family experience, and pursue growth and learning (Kopelman, Chiou, Lipani, & Zhu, 2012; Perschel). Their open communication channels through monthly newsletters and questionnaires and their free curriculum of over 30 courses on various leadership and personal development topics exemplify the values of a team and family experience and continual learning (Kopelman et al.). The management and Human Resources policies that have been set in place by Zappos are designed to reinforce and reward behaviors that reflect the companies values and further strengthens their culture (Perschel).

A comprehensive benefits package can also be a factor in impacting an organization's company culture. Studies have shown that there is a link between employee benefits and job satisfaction, commitment, and employee turnover (Grover & Crooker, 1995). Specifically, family-friendly policies within a benefits package can positively effect employee's satisfaction, and commitment, and reduce their intention to quit (Grover & Crooker). Andreassi and Thompson (2008) note that simplify offering benefits will not lead to enhancing organizational outcomes, the organizational culture needs to support the use of the benefits. Researchers have found that employees who perceived unsupportive family-friendly cultures are less likely to use their employer's work-life programs, at least partly because they fear negative career consequences for using them (Allen, 2001). If employees do not feel that the company culture values them at every stage of life then there may be a disconnect between the employee and the company. The company policies and culture need to work together and be implemented without employees fearing repercussions.

In addition to the governing policies and practices of a company, the physical

environment of an office can play a large role in a company culture. One hundred years ago offices looked similar to the open office spaces one is accustomed to now, but went through an evolutionary process to get there (Becker & Sims, 2004). Paralleling to the classical hierarchy culture of the mid 1900's, Fredrick Taylor, one of the first management consultants –noted for his efficiency– broke down complex tasks into repetitive activities that could be done quickly, discouraging the previous socialization in the workplace. After this shift in de-socialization in the early 1960's, cubicles began to pop up (Becker & Sims). Although cubicles served the goal of limiting distractions and interactions, it began to serve as a sign of status and rank, alienating coworkers and managers. As companies started enduring more complex problems, it became apparent that individualized work between one another and departments was a practice of the past; the format of open offices was needed once again.

Furthermore, as complex problems continued to arise, so did innovative technology. Employees no longer had to go into the office to complete a task, they were now able to access necessary files from home offices. Becker, Quinn, and Callentine (1995) completed a study finding that few people actually wanted to work at home full time, five days a week. They found this to be true because employees “miss[ed] the camaraderie and social interaction at the office...the opportunities for tacit learning, and for mentoring; the opportunities to get clear direction about the projects they [were] working on, and timely feedback about the progress they [were] making” (Becker et al., pp. 52-53). Heath Clark of Bixby Land Company creates office spaces for tenants seeking this open, non-traditional work environment. The offices include big-screen televisions with bars, ping-pong tables, and are dog friendly (Mirel, 2015). Clark notes

that, “A lot of these companies like their employees to bring their dogs to work because then they spend more time in the building—which, ultimately, translates into getting more work done” (Mirel, p. 31). Companies are trying to foster a comfortable home atmosphere for their employees so they feel intrinsically motivated to stay at work and be productive together.

Where a company is geographically located also plays a role in its culture. California is considered an economic powerhouse for a multitude of reasons, these include: investing heavily in education and infrastructure, fostering an entrepreneurial society, and receiving governmental assistance (Dunphy & Herbig, 1997). Specifically, Silicon Valley has evolved into a technology hotspot. Silicon Valley began when transistor inventor William Shockley moved to Santa Clara Valley to set up his own company. Quickly after he began his company, many spinoff companies were formed and Silicon Valley then took off (Dunphy & Herbig). The valley flourished after World War II with heavy support from the U.S. military and space programs, but did not receive recognition until the early 1970’s—twenty years after Shockley arrived (Dunphy & Herbig). Similarly to the rest of California, Silicon Valley has various reasons why it has become a center of innovation and success. One reason would include the educational infrastructure that surrounds the area. Stanford University is not only a prestigious technical university that focuses on research and engineering, but is also renowned for its business school. “This combination of scientific excellence and business acumen appears to be necessary for the conception of innovation as well as for its subsequent growth and development” (Dunphy & Herbig, p. 17). With a steady flow of entrepreneurial-motivated students, Silicon Valley is well equipped to hire the brightest minds. However,

even with the brightest minds from home and abroad, no company is successful without a few tries. In Silicon Valley, “Failure is not an eternal sword held over your head for the rest of your life, but a signal of the willingness to try or risk something” (Dunphy & Herbig, p. 18). Silicon Valley has also continued to be a powerhouse due to their evolving regional-network-based system that “promotes collective learning and flexible adjustment among companies” (Saxenian, 1994, para. 5).

After the proper infrastructure, attitudes, and initiator firms are all in place, it takes about fifteen to twenty years to become a full blown innovative hot spot (Dunphy & Herbig, 1997). Silicon Valley is now in its middle stages of growth, becoming increasingly expensive to live and harder to attract outside talent. Saxenian (1994) states that in order to survive,

A region needs its institutions and culture to ensure the repeated interaction that builds mutual trust while also intensifying rivalries. When industrial networks are embedded in such a supportive local environment, they promote a decentralized process of collective learning and foster the continual innovation that is essential in the current competitive environment. (para. 21)

Silicon Valley has the resources to survive its middle stage of growth and its open network allows a constant flow of communication to spark new ideas and innovations.

Company culture plays a large role in the success of a company and region. It has evolved since the middle of the 1900’s and is still continuing to evolve. A culture with open communication channels and strong values towards employee satisfaction has evidence that it will lead a company to more innovation and success than a traditional model.

Purpose of the Study

The purpose of this study was to examine the company culture of Apple Inc. (Apple).

Research Questions

This study attempted to answer the following research questions:

1. What are Apple's company values?
2. What company culture category or categories does Apple align with?
3. What employee development practices does Apple provide?
4. How effective are Apple's company values in promoting company culture?
5. How effective is Apple's company culture category or categories in relation to innovation?
6. How effective are Apple's employee development practices in promoting company culture?

Chapter 2

METHODS

The purpose of this study was to examine the company culture of Apple Inc. (Apple). This chapter includes the following sections: description of organization, description of instrument, and description of procedures.

Description of Organization

A case study was conducted on Apple. Steve Jobs and Steve Wozniak founded Apple on April 1, 1976 (Terrell, 2008). Apple (2017) designs, manufactures and markets mobile communication and media devices, personal computers and portable music players, and sells a variety of related software, services, accessories, networking solutions and applications. As of September 2016, Apple had 116,000 full-time employees. Their headquarters reside in Cupertino, CA, with 47 other offices globally. The location of their headquarters is of the utmost importance, being centrally located in Silicon Valley. The mission statement of the company is, “Apple designs Macs, the best personal computers in the world, along with OS X, iLife, iWork and professional software. Apple leads the digital music revolution with its iPods and iTunes online store. Apple has reinvented the mobile phone with its revolutionary iPhone and App store, and is defining the future of mobile media and computing devices with iPad.” Apple strives to leave the world better than how they found it and believes inclusion inspires innovation.

Description of Instrument

The instrument utilized in this study was a case study guide developed by the researcher (see Appendix A). The instrument was created after synthesizing aspects of company culture from the review of literature. The instrument displays various areas of practice, a description of each practice, and a section for additional comments. A pilot test was conducted in order to test the instrument. After the pilot test, the researcher altered the instrument by combining the innovation, organizational format, and office layout sections into one company development area, and added an employee development area.

Description of Procedures

A case study was conducted on Apple. The instrument utilized in this study was a case study guide developed by the researcher (see Appendix A). Research for this study was conducted during a two-week period during February 2017. Both quantitative and qualitative information will be used in order to explain all aspects of the practices. The researcher primarily used the Apple website to gather information. The *Values* section of the website was accessed to find detailed information on Apple's company values and the programs they utilize to fulfill those values. The *About* tab was used to find various information about the current and new corporate offices. To find general information about the company's products and services, the 2016 10K Form was used. The company's Business Conduct policy was utilized to find information on the principles that govern the company's business endeavors. A topical book was used to gather data on

the company's organizational format and Glassdoor was accessed to acquire information on employee benefits.

Chapter 3

PRESENTATION OF THE RESULTS

The purpose of this study was to examine the company culture of Apple Inc. (Apple). A case study approach was utilized to examine Apple. This chapter includes the following sections: company values, company development, and employee development.

Company Values

Apple's company values include: accessibility, education, environment, inclusion and diversity, privacy, and supplier responsibility. Apple's first value is accessibility. Apple believes that technology should be accessible for everyone, and have made adaptations to their products in order to make that belief a reality. The Apple Watch for example, has fitness algorithms for wheelchair users, so instead of steps, the Workout and Activity apps track pushes. The Switch Control on Mac lets consumers use switches, a joystick, or other adaptive devices to control what is on the screen. Live Listen on iPhone, lets consumers use iPhone specific hearing aids and their iPhone to hear more clearly in loud places. VoiceOver on iPhone can describe what's on the screen and say it aloud, and Speak Screen on iPad can read text aloud from books, webpages, or homework assignments.

Education is Apple's second value. Apple believes that putting Apple products in a classroom creates unique opportunities for personal learning and also wants to give everyone the opportunity to code. Apple joined President Obama's ConnectED initiative and pledged \$100 million for teaching and learning solutions to 114 schools across the

country. Apple donated an iPad to every student, a Mac and iPad to every teacher, and an Apple TV to every classroom. Apple also implemented a program that provides planning, professional learning, and ongoing guidance so every school can experience the power of technology. In addition to joining forces with ConnectED, Apple provides teachers with tips, lesson materials, stories and other resources through their website. Apple believes that everyone should have the knowledge of coding and created Swift Playgrounds and other learning materials to teach everyone how to code and bring their ideas to life.

Apple's third value is environment. Apple believes, "Our planet deserves our best thinking," and takes the same approach to the environment that they do with their products. Ninety-three percent of all Apple's facilities worldwide run on renewable energy, and in 23 countries, including the United States, United Kingdom, China, and Australia, facilities are running on 100% renewable energy. Apple has decreased carbon emissions per product every year since 2011, but is always trying to improve. Seventy-seven percent of Apple's carbon footprint is from the electricity it uses in their supply chain for manufacturing. Apple created a Clean Energy Program to partner with suppliers for cleaner energy practices. A plant in China, for example, will be starting a 170-megawatt solar project to offset manufacturing emissions. Apple Renew is another program that Apple has started, and is used to inspire individuals to be more environmentally friendly. It is a global program that lets people bring used Apple devices to any Apple Store for reuse or responsible recycling. This has kept more than 597 million pounds of equipment out of landfills since 1994. The Apple Clean Water Program helps facilities reduce water usage and prevent water pollution in the supply chain. So far,

the Clean Water Program has helped 73 facilities increase their reuse and recycling of treated wastewater and has saved 3.8 billion gallons of water. Apple is always looking for ways to make packaging smaller, and use recycled paper whenever they can. When using virgin paper in packaging, Apple requires suppliers to source their paper from sustainably managed forests or controlled wood sources. Apple partners with The Conservation Fund and has protected 36,000 acres of sustainable forests in the Eastern United States. Efforts are also being made to ensure responsible forest management in China. A Full Material Disclosure program was created to identify all the substances used in the parts of Apple products. After identifying harmful toxins, Apple reduces, removes, or develops new safer materials. Some toxins that have been found and removed from Apple products include: beryllium, mercury, and lead.

Apple's fourth value is inclusion and diversity. Apple believes the most innovative company must also be the most diverse, and that Apple should be a reflection of the world around us. Vice President of Worldwide Human Resources, Denise Young Smith says, "Diversity is more than any one gender, race, or ethnicity. It's richly representative of all people, all backgrounds, and all perspectives. It is the entire human experience." The following are statistics of Apple's employee diversity. It is important to note that Apple identifies "new hires" as, employees hired during the twelve-month period ending in June of each year, and "United States underrepresented minorities" (URMs) as, groups whose representation in tech has been historically low – Black, Hispanic, Native American, Native Hawaiian, and Other Pacific Islander. Globally, Apple has 37% new female hires, compared to 32% global current female hires and 68% global current male hires. In regards to United States URMs, Apple has 27%

new hires, compared to 22% current hires. When looking at ethnicities in the United States, 54% of all new hires are minorities. Breaking down ethnicities further, 46% of new hires are White, while 56% of current employees are White; 24% of new hires are Asian, while 19% of current employees are Asian; 13% of new hires are Black, while 9% of current employees are Black; 13% of new hires are Hispanic, while 12% of current employees are Hispanic; 4% of new hires are multiracial, while 2% of current employees are multiracial; 1% of new hires and current employees are listed as other. Apple has achieved equal pay in the United States for similar roles and performance. Women earn one dollar for every dollar male employees earn and underrepresented minorities earn one dollar for every dollar white employees earn.

Apple's fifth value is privacy. Security and privacy are fundamental to the design of all Apple's hardware, software, and services. Every Apple product is designed around the principles to tell consumers up front exactly what is going to happen to their personal information and asking for permission before they share it. If a consumer changes their mind later, they have the opportunity to stop sharing information with the company. Apple asks for users data to provide them with a better experience, for example, when using Maps to locate a restaurant or Apple Music to discover a new artist. Apple protects data with SSL and TLS in Safari, and FileVault on Mac –an encryption that's built into iOS. Apple also does not sell users data. Apple has given developers tools such as Touch ID APIs, 256-bit encryption, and app transport security so they can build secure apps. Apple also requires developers to ask for permission before accessing personal information like photos and contacts.

Apple's sixth value is supplier responsibility. Apple sets high standards, but helps their suppliers meet them. Apple created the Supplier Code of Conduct, which outlines their standards for creating safer working conditions, treating workers fairly, and using environmentally responsible practices. It is one of the strictest in the industry and requires practices above local law. To comply with the Supplier Code of Conduct, all suppliers must meet the requirements of the Supplier Responsibility Standards that details the criteria to meet regardless of local laws, company policies, cultural norms, and business practices around the world. Apple does not tolerate bonded labor or underage labor in the supply chain. If they discover cases of bonded labor, Apple makes suppliers repay employees the full recruitment fees. This has resulted in over \$25.6 million repaid to workers since 2008, including \$4.7 million in 2015 alone. Regarding underage labor, if Apple finds underage workers in suppliers factories, they make the suppliers return the workers to their homes, pay for their education at a school of their family's choice, and continue to provide income for basic needs until they reach the legal working age. After the workers complete their education, suppliers must offer them reemployment. Across the supply chain, Apple limits work to no more than 60 hours a week with a mandatory day off every seven days. They use a work-hour tracking tool and weekly reporting, which allows them to achieve 97% compliance across all workweeks. Apple is committed to responsible sourcing, and is working to ensure that minerals used in their products do not create conflict. Suppliers must follow a Conflict Mineral Standard, supplementary to the Suppliers Code of Conduct to help improve responsible sourcing. In 2013, Apple established the EHS Academy to address the shortage of environment, health, and safety expertise by educating local managers on issues of environmental

protection and air pollution, water and chemical management, and safety equipment.

Apple is also helping suppliers develop comprehensive emergency preparedness systems to protect workers in the event of a fire, earthquake, explosion, or other natural or job-related incident. In 2015, Apple partnered with 3M to host workshops at supplier facilities to teach the proper way to fit and wear protective equipment.

Apple's values as well as principles of business conduct define the way they do business. In addition to the values of accessibility, education, environment, inclusion and diversity, privacy, and supplier responsibility, the principles of business conduct that Apple follows are honesty, respect, confidentiality, and compliance.

Company Development

Apple, like many other large successful companies, has had an evolving company culture. In the beginning stages of the company, Apple followed an adhocratic culture, with a single entrepreneurial, charismatic leader, and a flexible and easygoing atmosphere. A few years later, the company became so successful that employees adopted a team mindset and began to form into a clan culture. Employees wore Apple logos on their clothes, had Apple bumper stickers, and spoke kindly of one another. Because the company was growing exponentially and competitors began to pose a threat, the company had a need for policies and regulations to standardize operations. This started the shift to a hierarchical culture that had employees feeling Apple lost its personal and friendly atmosphere. Because of employee's lack of enthusiasm due to the hierarchy culture, Apple naturally began to shift to the fourth culture, a market culture. The company began to emphasize competitiveness, achieving results, and external

relationships. During recent years, after the introduction of the iPod, Apple has worked to balance these four cultures, taking the strengths of each, while still trying to maintain a competitive edge.

Currently, Apple follows a mostly market-type culture, with an adhocratic subculture within certain areas. Apple exemplifies the characteristics of a market culture through their focus on consumers, the supply chain, and wanting to be at the forefront of innovation against their competitors. However, a market culture has no effect on innovation, and with the creation of the iPod, Apple has added a more adhocracy culture back into the company through continual forward thinking and new offices, to increase this innovation.

Due to the highly competitive nature of the technology companies that Apple competes with, Apple must continually introduce new products, services and technologies, improve existing products and services, and fuel customer demand for these new and upgraded products. The success of a new product introduction depends on a number of factors including: successful product development, market acceptance, the ability to manage the risks with new product production issues, manage defects in early stages of the introduction, availability of application software for new products, and the correct supply and demand calculations.

Apple has a large, comprehensive list of products and services they provide. Such products include the iPhone, iPad, Mac, Apple Watch, Apple TV, iPod, as well as a variety of accessories for each generation of products. Each device has its own operating system that allows it to perform its functions. These operating systems include, iOS, macOS, watchOs, tvOS, and accompanying application software. Apple also offers

services that complement their products; these include, iCloud, AppleCare, ApplePay, and internet services, such as, iTunes Store, App Store, TV App Store, iBooks Store, and Apple Music.

New generations of Apple products and services are always being developed and released in order to stay current and competitive with similar technology companies. Since 2007, Apple has released ten generations of the iPhone, with iPhone 7 and 7 Plus being the most current. There have been six generations of the iPad, and four generations of the iPad Mini. Apple offers four different computer models, Mac, MacBook Pro, MacBook Air, and iMac, and has released ten generations within the family. There have been three generations of the Apple Watch, four generations of Apple TV, and multiple generations within the iPod family. The iPod family consists of the Classic, with six generations, the Mini with two generations, the Nano with seven generations, the Shuffle with four generations, and the Touch with six generations.

Apple's corporate office space is also transforming with its culture. The company's headquarters are located in Cupertino, California. As of September 24, 2016, Apple owned 7.1 million square feet of building space and has leased 22.3 million square feet of building space, primarily in the United States. Apple owns additional facilities outside of the United States used for the supply chain and other purposes.

The second Apple campus in Cupertino, to be opened in April 2017, is being built with energy-efficiency in mind. Apple is recycling and reusing more than 95% of the material from the previous buildings at the site. The campus will occupy 175 acres of land, with a 2.8 million-square-foot ring-shaped main building housing more than 12,000 employees. The Apple 2 Campus will be powered by 100% renewable energy, primarily

generated by one of the largest onsite corporate solar energy installations in the world. Air will flow between the inside and outside of the building and the glass paneling will make employees feel as though they are outside. The Apple 2 Campus will also include a visitor center with an Apple Store, a cafe open to the public, a 100,000-square-foot fitness center for Apple employees, research and development facilities and the Steve Jobs Theater. The surrounding parklands offer two miles of walking and running paths for employees, an orchard, meadow and pond within the ring's interior.

Employee Development

With the balancing of the four cultures and knowing the importance of employee satisfaction, Apple has created an extensive and competitive benefits package for its full time corporate employees. Some of these benefits include: health insurance, dental insurance, vision insurance, life insurance, disability insurance, 401K plan, employee stock purchase plan, maternity and paternity leave, paid time off, sick days, paid holidays, employee discount, gym membership, transportation assistance, and professional development courses. Apple also provides Diversity Network Associations (DNAs) –groups where employees can make connections that create trust and a feeling of belonging. Some examples of these DNAs include: African American Employee Association, Apple Jewish Association, Amigos@Apple, Pride@Apple, Women@Apple.

In addition to full time corporate employees receiving benefits and network groups, Apple's supply chain employees receive particular personal development benefits. Apple developed the Supplier Employee Education and Development (SEED) program. Apple sets up classrooms in supplier facilities where workers can take free

courses in subjects as diverse as computer skills, graphic design, English, and human resources management.

Chapter 4

DISCUSSION AND CONCLUSIONS

Apple Inc. (Apple) is a world-renowned company that acts as a model for other companies. Their company culture practices are one way they can influence other companies. This concluding chapter will include the following: a discussion of the findings, limitations, conclusions based on research questions, implications of the findings, and recommendations for future research.

Discussion

Apple has a mix of employee focused, customer focused, and supplier-focused values. The values of accessibility, education, and privacy are customer focused, and the widespread values of environment and supplier responsibility are supplier focused. However, only the value of inclusion and diversity is employee focused. Apple has a number of values that are customer focused, which is important in the purpose of their business, but they should not forget about the people that are working to make their products come to life. As noted by Kopelman et al. (2012) and Perschel (2010), Zappos has found company culture success in their unique set of values that encourage employees to have fun on the job, build a positive team, and family experience, and pursue growth and learning. Although Apple's values have a large focus on their external environment, they are a leader in environmental practices, the sound treatment of those in their supply chain, and demonstrate to other companies the importance of the customer. Because of Apple's large presence in the world, other companies in the industry look to

them as a model for their practices and values. By shifting their values to focus more on their internal environment, Apple could further increase the success of their company culture. Through adding an employee development value and creating programs around enhancing employee knowledge of different topics and teamwork activities beyond the workplace, it could make employees feel valued for more than the skills they were hired for.

Apple's integration of the market culture and adhocracy culture has enabled them to be innovative. Apple has a strong focus on competitiveness against other companies and places high importance on their customers, but the real innovation comes from within; when employees are intrinsically motivated. The adhocracy culture facilitates this intrinsic motivation through creativity and letting employees take risks. Naranjo-Valencia et al. (2016) noted that there were direct positive correlations of innovation in an adhocracy culture but no effects of innovation in a market culture. Apple's re-introduction of the adhocracy culture after the creation of the iPod, sparked the need for new generations of products and services to stay competitive. Apple's new campus also exemplifies characteristics of an adhocracy culture with its glass windows, making employees feel they are outside, and the vast parklands that allow employees take time for themselves in nature. An open concept workspace is no new phenomenon to the Silicon Valley, but the Apple 2 Campus takes open concept to the next level. Companies will be looking to compete with this new campus, which will further innovation in other areas besides product development. Apple should continue to fuel this innovation through encouraging employee's to take risks and think outside the box, by facilitating a more adhocracy style culture.

Apple provides their full time corporate employees with personal development programs through a comprehensive and competitive benefits package, but does not make this information easily accessible for the public. Apple's benefit package is a large selling point for potential employees when choosing employment, however, if potential employees cannot access detailed information on the programs in place, it may deter them from perusing the company. Grover and Crooker (1995) note that there is a link between employee benefits and job satisfaction, commitment, and employee turnover. Because Apple's benefits package covers a full range of areas, it allows employees to feel comfortable and supported by the company. Apple should continue to offer their benefits package, instill confidence in their employees to use those benefits, and make the programs offered with the package more widely available for the public.

There were a number of limitations that could have impacted this study. Only utilizing one organization to evaluate company culture could limit the large scope of company culture for the researcher. In addition, the Apple website was the primary resource used to evaluate the companies practices, which could have lead to bias towards the company based on the information made available. Finally, the researcher could have been influenced by a personal bias in favor of Apple due to personal relationships with a company employee. Despite these limitations, the study provided valuable information about Apple's company culture and their practices.

Apple is a leader in the technology sector for innovation and creativity. Through their extensive product lines and programs, Apple has touched the lives of many around the world. Apple cares for its customers, suppliers and employees alike. With a stronger emphasis on employees, Apple can further improve their company culture practices. This

study has brought to light that a balance of a structured but autonomous work environment, that values employees, leads to a happy and successful company.

Conclusions

Based on the findings of this study, the following conclusions are drawn:

1. Apple's company values are accessibility, education, environment, inclusion and diversity, privacy, and supplier responsibility.
2. Apple aligns with a market and adhocracy culture.
3. Apple provides a full range of employee development practices through their benefits package, including: health plans, retirement plans, family leave, and stock options.
4. Apple has a well-rounded set of company values, however, for a more successful company culture, more employee-focused values should be added.
5. Apple's company culture categories are effective in relation to innovation, but could be stronger with the continual addition of adhocracy practices.
6. Apple's employee development practices are effective in promoting company culture.

Recommendations

Based on the conclusions of this study, the following recommendations are made:

1. The tech industry should put the same amount of emphasis on employees as they do on customers.
2. Apple can shift their values to focus further on their employees.

3. Apple can continue to fuel innovation by encouraging employee's to take risks and think outside the box, by facilitating a more adhocracy style culture.
4. Apple can continue to offer their benefits package, instill confidence in their employees to use those benefits, and make the programs offered within the package more widely available for the public.
5. Future research should analyze company culture between different industries.

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APPENDIXES

Appendix A

Instrument

Area	Description of Practice	Additional Comments
Company Values		
Values		
On Website?		
Employee Satisfaction Focused?		
Business Conduct		
Company Development		
Org. Format		
Category/Categories		
Products & Services		
Office Layout		
Employee Development		
Benefits		