

BUSINESS ETHICS 214

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**APPLE**

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**Introduction:**

**Apple:**

Apple Inc. is one of the Big Four tech organizations with its main office in California. The organization is known all around the world for its inventive solutions for computer programming, electronics, and online services. Since its commencement in 1976, the organization has been a worldwide pioneer in the technology business.

**Apple’s Mission:**

Bringing the best experience to its clients through its inventive equipment, programming, and services.

**Apple’s Vision:**

Stated as “We believe that we are on the face of the earth to make great products and that’s not changing.” Through this announcement, the organization said that they are constantly resolved to deliver quality products for its customers. The announcement additionally calls attention to that they plan to do as such for a long while. It gives in detail report of how the organization moves toward its tasks to situate itself as the dominant player in the zone it works in.

**Apple’s Goals:**

Their goal is to acquire outstanding products and services inside short period of time at a cost that shows the most appropriate benefit to our clients and stockholders. If this mission seems like an overwhelming mission, it is simply alike the mission we allocate us**.**

**The importance of ethics:**

Business ethics is one of the basic concepts in firms ,because businesses can’t survive without ethics. Business ethics is important in many ways as :

-raising customer satisfaction:

The consumer is the controller in the market who decides the success or failure of any business, so It is important to firms having loyal customers by committed to business ethics as being professional, justice and respectful. That will reflect on customers and reaching their highest level of satisfaction .

-increasing profits :

Being ethical doesn’t mean not making profits,business who cares about ethics with employees frequently has better profits than who doesn't care, because the employee is required to follow rules that will increase their productivity.Firms with ethical behavior and corporate social responsibility can attract customers and raise their satisfaction to buy the firm’s product and increase the profits.

**Why study business ethics?**

Studying business ethics is so important to business people to know their responsibility at work ,identify ethical issues as well as making ethical decision. Employee who studies business ethics has a great chance to work in high position because of the characteristics they have as honesty, learning new things ,and taking opportunities. Decisions taken by mangers may influence the company, so mangers studying business ethics means knowing the right decision they should make. One of the important reasons of studying business ethics to make profits. Making profits in illegal way is easy but your profits should be legal because that is business ethics .

**What will do in this project?**

Our goal from working in Apple in the future is having experience and learning life skills as well as business ethics. One of the important things we would like to learn from Apple how is consumers satisfaction is important .we would like also to know the difference between employees rights in Saudi Arabia and employees rights in Apple , Knowing a situation were Apple took an ethical decision and knowing Apple’s policy and regulation.

**Apple regulations and rights:**

In large companies and other institutions, the employee is of great importance to the company, Where the employee is the company's capital and the key to the success to it, so Apple seeks to preserve its employees and further improve the relationship between them by doing the rights of its employees.

*The employee rights in Apple are:*

* Employees will receive 25% discounts on Apple products.
* Maternity leave is at full pay for 18 weeks. Six weeks unpaid, if it's needed.
* Parental leave extends to 6 weeks of paid.
* A comprehensive medical plan with low copays and low premiums. Health care insurance includes Dental and Vision.
* Employees will benefit from commuting advantages. The company repays up to $100 a month.
* The employee’s vacation is between 12-22 days paid with reliance on the employee’s years of service.

Apple believes in *the Supplier Code of Conduct* that all workers in their supply chain deserve a fair and ethical place of work. Workers must be handled with utmost dignity and integrity and Apple suppliers must meet the highest human rights requirements.

So, the Supplier must not discriminate against any worker based on disability, ethnicity, age, gender, race, religion, gender identity.

Suppliers can employ employees who are at least 15 years of age, the applicable minimum legal age for employment. Working hours, including weekends, are limited to 60 hours and staff must have at least one day off every seven days except in emergencies or unusual circumstances. Daily workweeks not exceeding 48 hours.

Moreover, suppliers must adhere to a workforce that is free of violence and misconduct. Suppliers shouldn’t abuse or inflict cruel or inhumane treatment upon employees.

Worker health, protection, and wellness are essential in Apple. The supplier shall provide and maintain a healthy working atmosphere and implement sound practices in the management of health and safety into its sector. The staff has the right to reject insecure jobs and report hazardous working conditions.

Apple always seeks to increase customer confidence in it and build a friendly relationship between them, so Apple is keen to *protect the personal information* of customers.

In Apple there are laws for customers. These laws depend on the region to which the customer belongs, for example, the Consumer Law in the Kingdom of Saudi Arabia Are:

* Under *consumer law in the Kingdom of Saudi Arabia*, consumers are entitled to fix faulty goods free of charge and substitute the products if the defect occurs again. The rights will expire two years from the purchase date. The liability for delivering a solution lies with the seller, the agent and or the drug supplier.
* Consumers will also get support from the Apple Limited Warranty when you buy Apple hardware products.
* Owners of iPad, iPhone, iPod or Mac products can receive service and parts from Apple service providers for a period of 5 years after the device has ceased to be produced.
* Apple can discontinue support for certain vintage and technologically outdated products.

Apple also has a policy for children that states:

* Children under the age of 13, or the equivalent minimum age in the relevant jurisdiction, are not permitted to create their own Apple IDs unless their parent provided verifiable consent or as part of the child account creation process in Family Sharing.
* If Apple knows that it has obtained a child's personal information under 13, or an equivalent minimum age depending on the jurisdiction, we will take action to delete the information as soon as possible. If a parent wants to view, correct or delete data related to their Family Sharing account or Apple ID of the child at any time, they can contact us.

In Apple, Personal information is protected by Apple online services such as iTunes Store during transit using encryption such as Transport Layer Security (TLS).

Also, Apple stores your personal data, they use computer systems with restricted access that are stored in facilities using physical security measures. Except for iCloud Mail, because iCloud data is stored in encrypted form even when they use storage by third parties.

When using other Apple products, services, or applications or posting to an Apple website or social networking site, the personal information that you share is accessible to other users and can be read or used by them.

As a customer, you are responsible for the personal information you choose to share or submit in these instances. For example, if a forum posting mentions your name and email address, that information is public. you should take care of using these features.

**How Apple is affected by policies:**

*In China*:

China Central Television aired a World Consumer Rights Day broadcast on March 15th, 2013. The software has addressed the topic of Apple's warranty problems in China. The study said that when repaired in China, an iPhone still gets an old back cover.

This also notes that the warranty period for the modified device is only 90 days and that the warranty period for Macintosh and iPad is not to be assured in China according to Chinese rules.

On 1 April 2013, Apple CEO Tim Cook apologized for China's warranty program to Chinese customers and revised the program.

*In Italy*:

On 27 December 2011, the Italian Antitrust Authority fined Apple a total of € 900,000 for failing to uncover consumer legal right to two years of warranty service under Italy's Consumer Code.

According to the Italian agency Apple only revealed its regular one-year warranty and agreed to sell AppleCare customers for an extra year instead of complying with the legislation. Moreover, Apple fined about € 500,000 for selling AppleCare's overlapping coverage also, €400,000 for failing to report the legally required two-year warranty.

**Apple make an ethical decision when:**

Greenpeace environmental organization has criticized Apple for making goods considered to be environmentally unfriendly.

In 2007, Greenpeace published an article describing the dangerous materials used on the iPhone, such as plastic with phthalates in vinyl (PVC), along with brominated compounds. Not only that but in a separate article from 2004, Greenpeace also mentions that Apple had failed to take the initiative of phasing out toxic chemicals in all its products. They claimed that Sony was eliminating contaminants from their TVs also, Samsung, Nokia, and Puma but Apple did not play its part in the problem.

Due to Greenpeace's concern, a rating guide was released in 2006 to strengthen policies and practices about the "going green" process. Greenpeace reached out to Apple's fans and customers to gain Steve Jobs ' attention in September 2006. To do this, they launched a "Green My Apple" website designed to look like Apple's website. The site's caption was: "I love my Mac. The campaign was successful in the end. Steve Jobs spoke about the company's desire to green in 2007.

In November 2012, Greenpeace created a ranking of companies and Apple become on the 6th. Despite Apple losing points on the e-waste criterion of Greenpeace Except that Apple met its global recycling goal of 70 percent in 2010.

Currently, in 2013, Apple reports they are achieving using renewable energy from any Apple plant. At facilities in Austin, Munich Cork, and they've already achieved this goal.

Apple's business facilities around the world already operate at 75% of renewable energy.

**The role of ethical culture and relations:**

The organizational culture of Apple is a key factor in the continued success of the company. Apple's culture enables human resources to support various strategic objectives. Furthermore, their cultural characteristics are adapted to innovation and that is what determines the competitiveness of businesses in the information technology, online services and consumer electronics industries. By all the pioneers of Apple, the organization continues to build its culture to optimize human resource support for business significance in multiple markets around the world. Apple's company has a strong atmosphere of creativity.

Mostly, they focus on maintaining a high degree of innovation that promotes imagination and a way of thinking that challenges expectations. Cultural support is one of the main factors for effective business. Here are some of Apple’s major corporate cultural characteristics: top-notch excellence, creativity, innovation, secrecy, and Moderate combativeness.

Top-notch excellence: It is stated around Apple that they are stringent when it comes to recruiting workers, they have a strategy of employing only the most excellent of the most excellent in the job market. The previous leader (Steve Jobs) was reported to have fired staff who did not meet his standards. (Tim Cook) continues this tradition, which inspires workers to do their best. Excellence is a key factor for companies, particularly in the product needs of continuing growth and design strategies.

Creativity: This trait means developing new concepts that will help to develop the company and its products. Apple management prefers innovation over capabilities, knowledge and skills especially employees involved in product design and development processes. Such creativity is evident in the features of iPhones, Airpods, Macs and other Apple’s products. Such variables allow the company to fulfill the needs and desires of its customers.

Innovation: Apple's company is promoting digital development and accelerated technology and innovation. Apple is one of the most creative businesses in the world, as it motivates workers and prepares them with an adequate atmosphere and circumstances of creativity based on individual performance and contributions to product growth.

Secrecy: The founder of the Apple company (Steve Jobs) was cautious to have a corporate atmosphere of secrecy. The corporation continues to implement this policy which has become part of the organization's plan to minimize misuse of confidential data or something else connected to it. This strategic strategy gives Apple the ability to be competitive against its rivals.

Moderate Combativeness: Steve Jobs was considered to have a mild combative style. Employees were randomly challenged to ensure that they are still able to operate at Apple's company under any circumstances. Tim Cook's leadership (the current leader of Apple organization) has turned Apple's corporate culture into a more welcoming and less combative one. Apple organization has moderate degree of combativeness that presents challenges to make employees more alluring to enhance the outputs.

**Explain informal power relationship in organizations from an ethical perspective:**

There is no doubt that informal relations in organizations have negative effects. Idealizing business culture does not have informal power relationships, but under real circumstances, informal relationships exist.

For example, if an employee pursues an ethical business environment and improves the performance of assistants, and another employee has an informal power to use it in a negative way and misuses that power to cause complications and vandalism, the first employee can’t easily continue to work in such a culture.

Terrible consequences of informal power relations are different, for instance, using informal power to have your interest with no awareness about what this attitude may result on other worker’s career, or it may reduce the capability and improvement of employees or rise the deficiency of the corporate culture system and other business systems. Various factors are helping to create informal power relationships. For example; leaking information to an employee, then misuse it to force other workers to engage in illegal activities by threatening them. There may be a number of harassment in the workplace due to a hostile working environment in conjunction with informal power practices.

If there is informal power that rise productivity and enhance performance, it’s recommended to rearrange the power sources and responsibilities to make it formal power to the right and suitable employee.

**Do the company apply any CSR programs?**

Yes, Apple organization has various of corporate social responsibility programs. The programs and projects of Apple Corporate Social Responsibility (CSR) are led by Lisa Jackson, Vice President of Environmental Campaigns, reporting directly to CEO Tim Cook.

Tim Cook, assuming Apple's leadership in 2011, has increased the emphasis on the CSR component of the company to a significant degree. Tim Cook is a member of the Paulson Institute's CEO Council for Sustainable Urbanization, partnering with other CEOs of major Chinese and Western businesses to promote sustainability in China.

Apple Corporate Social Responsibility Programs and Initiatives:

* Apple Supporting Local Communities:

Global Volunteer Initiative was launched in 2011 to promote volunteering in local communities. The system was revised in March 2015 to grant workers the opportunity to select projects in their local communities that they would like to contribute. In 2018, more than 250,000 hours volunteered and more than USD 125 million given to organizations around the world under the Global Volunteer Program. The company is also responding to natural disasters. This includes collecting USD 1 million to support the victims of Hurricane Maria and USD 2 million to help the victims of Hurricane Harvey and Hurricane Irma in Puerto Rico. In China, Apple is empowering all of its offices and retail stores with solar panels installed high off the ground, allowing grass to flourish and local yaks can eat It.

* **Apple Educating and Empowering Workers:**

Since 2008, Apple has offered educational services to more than 3.6 million suppliers 'employees. Under the leadership of Denise Young Smith, Apple's Vice President for HR, Apple has greatly expanded its employee benefits packages. For example, expectant mothers can take up to four weeks before childbirth and up to 14 weeks after birth, whereas fathers and other non- birth parents are entitled for up to six weeks of parental leave. 68% of people attending App Development and Swift in 2018 had no coding knowledge. They were able to create an app after the completion of the course.

* **Labor and Human Rights at Apple:**

Company has achieved an average of 95% enforcement among suppliers to a maximum of 60-hour workweek. Apple enforces the Supplier Code of Ethics, which is believed to be the strictest in the electronics industry. Since 2007, Apple has trained more than 17.3 million staff of its suppliers on their rights. In 2018, Apple suspended five mineral manufacturers from supply chain for refusing or unable to engage in human rights audits.

* **Employee Health and Safety at Apple:**

The organization has launched Apple Supplier EHS Academy, an 18-month initiative aimed at enhancing the health and safety of workers around the globe. 240 suppliers and 270,000 workers participated in the project. Approximately 75 jobs within the supply chain have been studied in Apple's ergonomic department to define ergonomic risks. Research has resulted in better criteria for handling improvements in the design of workstations. The multinational technology organization has set up a group of health clinics called AC Wellness for its staff and their families.

* **Apple and Gender Equality and Minorities:**

Tim Cook is the only openly gay CEO of Fortune 500 and has been lauded as a good advocate of labor diversity. In 2016, the company received fair wages for employees. 36% of all workers under 30, 29% of executives and 39% of leaders under 30 are women at Apple, with 50% of new hires in 2018 coming from traditionally underrepresented tech communities such as women, Black, Latino, Native American, and Native Hawaiian & Other Pacific Islanders.

Apple continues to take sustainable measures that will have a positive impact on cooperation issues in the real world. Apple company has focused on how to deal with electronic waste in the past couple of years, recently Apple developed a line of robots known as "Liam" that dissembled iPhones every 11 seconds for recycling. These robots could dismantle 1.2 million phones a year and some of these components, which have been disassembled, make new products rather than just dumping those materials into landfills. Some of these materials may take years to decompose, so these robots make a significant contribution and will continue to be used in a variety of ways. Apple organization can continue to use these robots to remedy other global issues. In addition, in February 2016, Apple was the first American tech company to issue around 1.5 billion green bonds to finance various environmental projects. One of Apple's basic objectives is to reduce its impact on climate change, as a result of which Apple is trying to use as much renewable energy as possible. Apple has reported that it has generated enough renewable energy to cover 93% of the electricity used internationally by Apple. In 23 countries around the world, Apple is already using 100% of its renewable energy and is continuing to spread it all over the world. In addition, in the last five years, Apple has reduced its carbon footprint by 64%. Apple is working to preserve the workforce that contributes significant renewable resources. Apple has partnered with "Conservation" to protect these forces and also has a World Wildlife Partnership Fund. Partnerships with companies like these are truly beneficial to Apple's success and will continue to build vital partnerships like these. Returning to the carbon footprint effects, Apple wants to eliminate these effects on the earth by collaborating with its intermediaries and limiting the emissions produced by reducing the production of raw materials as much as possible and the electricity used in their production facilities. Apple has worked with its suppliers to develop an appropriate program to reduce their forest residues and energy use. So, Apple has created a program that tracks their energy use in detail and saves more than $32 million through this useful process.

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