

## Apple's Organizational Structure Analysis

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Lehman and Haslam (2013, p. 245) claim that Apple's organizational structure has extensively furthered the innovation and successful performance of the firm as a technological company. The organizational structures shaped by the consecutive regimes of Steve Jobs and Tim Cook have again created several opportunities for the business, ranging from innovative human resources practices to business expansion and product differentiation. The mechanistic organizational structure positions leaders to be accountable for the particular functions and objectives. The employees have minimal influence on the operational dimensions the company takes.

Apple Inc. has extensively embraced the traditional organizational structure, in which the flow of authority is channeled from defined higher hierarchies to lower ones, or subordinates (Nonala & Kennedy, 1991, p. 68). The succession of Tim Cook after Steve Jobs's resignation led to the revision of the organizational leadership style and structures to formulate procedures that would suit the dynamic market and industry demands. The decision making is relatively centralized. The president and departmental heads sets goals to be implemented by subordinates to ascertain the organizational efficiency. Nonala and Kennedy (1991, p. 69) reveal that the key concerns for Apple in regard to organizational structure are support for business performance and conformity to rapid and inventive product and performance designs. Apple works to enhance its capabilities to maintain technological industry dominance to increase market share and expand possible ventures.

Lehman and Haslam (2013, p. 247), assert that Cook's oversight has completely reinvented the performance of Apple after succeeding Steve Jobs. Cook is a liberal leader who employs the transformational leadership style to design the organizational structure of Apple.

The top management is completely obligated to outstanding organizational performance. Therefore, each departmental leader strives to shine their regimes. The updated structure has three distinct structures, namely functional, product and spoke-and-wheel leadership hierarchies.

### **Function-Based Organizational Structure**

The top influencers of Apple exhibit the function-based organizational structure. With Cook as the president, several senior vice presidents rank below him to help in the control and coordination of organizational activities and processes. Below the president are senior vice presidents for every functional unit. Specifically, Apple has chief design officer, senior vice presidents in charge of finance, retail, worldwide marketing, hardware engineering, software engineering, Internet and software services, and industrial design (Apple Inc., 2017). The stated leaders address business needs that relate to each of their functional areas. They also function as the chief advisers to the president. Cook then handles the overall business operations with pieces of advice or management inputs from the senior vice president who oversees the detailed functioning of each department.

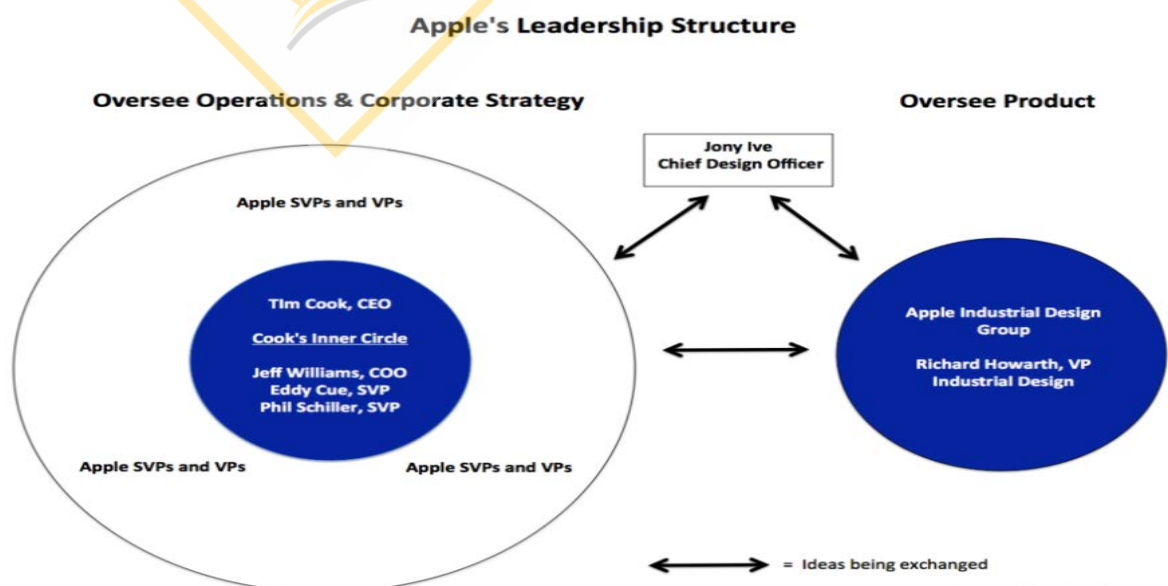
### **Product-Based Organizational Structure**

The lower or the subordinate manager formation within Apple follows the product-based leadership structure that embodies the divisional approach. This type of engagement mainly focuses on the various goods and services the organization manufactures and takes to the market. Every deputizing manager ensures that his or her line stands out effectively or performs well devoid of challenges so that the company at large has an exceptional reputation to guarantee organizational success. There exist different outputs or product leaders just below the senior vice presidents who are in charge of each division of the organizational products. Precisely, Apple has vice presidents in charge of the iOS apps, iPad, worldwide human resources, environment, policy

and social initiatives, communications, user interface designs, dean and Apple University, and the consumer applications (Apple Inc., 2017). This structure positions Apple as an organization to address the specific product components the institution manufactures before launching them to the market or responding to market or product manufacturing needs.

### Spoke-and-Wheel Organizational Structure

Apple has also embraced the spoke-and-wheel organizational structure to enable it strike to a balance in the organizational overall decision-making. Initially, before Cook took over the company, Steve Jobs determined every administrative function (Lehman, & Haslam, 2013, p.247). Cook introduced a more collaborative organizational style to enhance the smooth and efficient relationship between managers and employees. In consideration of the product and functional units within the organization, the spoke-and-wheel organizational structure enhances collaboration between the software and hardware teams to improve productivity and creativity. With the top management's overall planning of the organizational processes and activities, the company's structure is less stiff, encouraging problem solving other than enhancement of organizational functions.



**Figure 1:** Apple's Leadership Structure (Apple Inc., 2017)

### **Advantage of Apple's Organizational Structure**

The chain of command depicted in Apple's organizational structure positions the top management to effectively control the business. Cook and the senior vice presidents are able to exercise sturdy control over the firm as they have the departmental heads report directly to them, thereby providing primary organizational needs or information that is essential for decision-making and planning. The strong control of the organization is ascertained by the product-based and function-based organizational structures.

### **Disadvantage of Apple's Organizational Structure**

The organizational structure embraced by Cook's leadership has a downside of limited flexibility. The supple need to respond to the business requirements or market demands by the junior levels of the hierarchy is imperfect. The lower tiers of workers cannot implement the entire organizational processes and the rapid emergent changes without approval from the top decision makers. Cook and the senior vice presidents hold the final say concerning functional or product concerns of the organization.

Conclusively, slight adjustments have been incorporated into Cook's decision-making process to improve collaboration between different organizational units, though the full functionality of the procedures is not yet established. The subordinates do not have the authority to make final judgments regarding business involvements without reporting to superiors, thereby limiting the autonomy in their positions as employees.

## References

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