



Cultural Differences as a Global Challenge: A Theoretical Discourse of Apple Incorporation in the Chinese Region

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ABSTRACT

Culture represents the manner at which a society is governed; it spreads further to underpin the principles being practiced by every society, which reflect in the attitude and behavioral pattern. As a result, any organization seeking to test new waters by expanding its business base into other countries must take into account the cultural intricacies of such country. It was on this note that this paper theoretically examined culture as a global challenge and explaining areas of Hofstede dimensions in analyzing culture from the Chinese region with regards Apple Inc. and its activities within the said region. Series of dysfunctionalities were perceived in the context of Apple Inc. and this negatively affected Apple's image. The conclusion of the paper holds that culture reflects what the people want as well as how they ought to be treated. This paper further employed the Gibbs reflection cycle to reflect on the scenario to better present the views of the author on the said case. Therefore, the study recommended that managements of organizations willing to step into new areas and countries for trade should investigate the operating culture in such regions and incorporate it into their agenda to avoid any form of backlash.

Keywords: Culture, Globalisation, Liberalisation, Cultural Dimensions, Global Challenge.

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INTRODUCTION

As the business circle and the corporate environment continues to witness tremendous growth established by globalisation through the concept of trade liberalization; there has been several changes in the pattern of economic, political and social landscapes across the globe. This has been observed to be orchestrated by structural changes, which have manifested in all areas in this contemporary era of the twenty first century. National borders have been adequately dissolved through the presence of globalisation in terms of the free trade and liberalization process inherent in its scope; all of which have strengthened the integration of economies, which has further culminated into geographical effects (Carr & Gurman, 2021). There is increasing fragmentation in the supply chains of virtually every organisations; which has further resulted into geographically dispersion due to the opening of new





markets across the globe on a continuous basis. This has established high degree of complexities, dynamism, challenges and as well as opportunities in the global competitive environment for organisations irrespective of its area of operations (Elmoez, Zorgati & Alessa, 2021). Globalisation have opened businesses to expand their business base across other countries, which is away from their country of origin. However, it must be well understood that culture plays a pivotal role as an invisible hand, which directs so many affairs as well as areas of these businesses once it leaves the shore of its home country.

Several theories addressing the concerns of cross-cultural management are in existence today to provide explanations on how organisations that are multi-national handle their operations across several borders. In further explaining this, Jackson (2020) expressed that Hofstede is considered as a significant contributor among other scholars to offer a simplistic theory that have successfully permeated the literature for decades. In this same way, Beugelsdijk and Welzel, (2018) purported that Hofstede also doubles as the first individual to simplistically quantify cultural orientations that is being upheld by series of individuals across more than sixty (60) nations across the globe. Many organisations in their quest to extend their trading frontiers face several cultural challenges, which can be well understood from the realm of Hofstede's dimensions of cultural theory. This paper seeks to establish Hofstede's theory towards explaining "differences in culture" and Apple Inc. management of employees particularly in the Asian region with China as a reference point. The paper also provides an overview of the global challenge which is "differences in culture" being faced by Apple Inc. in the Chinese region and how the organisation have responded to this challenge using the Hofstede Hofstede's cultural dimensions theory. Additionally, potential solutions in which management of Apple Inc. can implement will be recommended.

Scope of the Paper

The thrust of this current paper centered on critical evaluation of cultural differences as a global challenge, and how this impacts on Apple Inc. as an organisation in the Tech industry. The study further extends to the coping mechanism and responses(s) from the selected organisation in combatting this challenge. The scope of the paper extends further towards analysing theories, frameworks and concepts that are sacrosanct to cultural differences as a global challenge and finally outlining recommendations to be adopted in this regard. On the final note, a reflective piece was included on the relationship between cultural differences as universal challenge and the Hofstede cultural dimensions from my own personal viewpoint.

Background of the Case Study Firm

Apple Inc. as a smart and leading tech organisation remains one of the prominent, most popular as well as the largest smartphones producers, with its products stretching to other digital gadgets. Items such as personal computers, smartphones and different accessories are being designed by this organisation. The operations of this organisation also include different related services. Among major brand lines of production for Apple Inc. include Mac, iPhone and iPad. Furthermore, its production still encompasses diverse range of home accessories such as Apple Watch, Apple TV, HomePod AirPods and other branded items with the Apple trademark (Choudhury, 2019).

Apple's operations spreads across several geographical scope and this includes America, Japan, Europe, Greater China and host of other regions under the Asian Pacific. Nations under the American include both the Northern and Southern American nations. Those under Europeans include all nations under Europe as well as other countries such as the Middle East region, stretching through India and finally, Africa while countries like Hong Kong, Taiwan and China are categorised under the Greater China geographical scope.



The connotation to this infer that Apple Inc. as an organisation operates across the globe and its products are used in virtually in all nations across the planet. For this reason, Apple Inc. as an organisation in the tech industry have gained so much prominence and as a result have become a household name. The expansion of the business is therefore going to face some cultural differences and constraints, thus, how these constraints are combatted is the rationale for this paper coupled with a view to examining recommendations available in giving the organisation (Apple Inc.) an itch free operation and in doing this, China is being used as a reference point in this regard.

LITERATURE REVIEW

Market Globalisation and Firm Internationalisation

China constitutes one of the most delicate, sensitive and fragile markets in the world where Apple operates as an organisation and this is as a result of the communist tendencies of the country whose mode of government or governance is autocratic. The presence of Apple in China have been facing series of controversies for so many years and one of the grouse notably perceived as causing rancor is that Apple as a multinational organisation seek the utilisation of cheap labour in China; where such practices have been perceived to be bedeviled and characterised with poor conditions of work coupled with low wages (Merchant, 2017; Brown, 2019; BBC, 2020).

This has be viewed over time as managerial a major and significant challenge and as such, the situation have been contended and declared as the greatest challenge being confronted with particularly in the aspect of having mutual relationship with the Chinese government. According to Froese, Sutherland, Lee, Liu and Pan, (2019), many large tech conglomerates are faced with two major principal concerns in the corporate environment and these are “regulatory and cultural challenges”. In light of this, multiple crackdowns has been initiated by the Chinese government as mechanisms for crackdown on large business conglomerates, particularly, those whose activities are predicated on the offering internet services for reasons like the display of a monopolistic behaviour. This infer that many foreign owned businesses are finding it very challenging on an increasing basis to operate in China.

The global challenge perceived in this case as concern Apple Inc. is cultural differences in the area of employee management in connection with conditions of work as well as compliance to the cultural dictates of the Chinese labour laws. The management of Apple Inc. have been facing some backlashes criticisms for decades due to differences in culture and stemming from the practices of seeking cheap labour in China. To this end, Bloomberg News (2018), stated that claims are made by employees to be working under conditions that are noxious and detrimental to their health. For instance, employees stated that they have to stand for about ten (10) hours or more on a daily basis in shops with hot temperatures. Such conditions of work have be categorized and classified by some persons as a matter of both life and death, which exemplifies as well as demonstrates how serious the situation is (Merchant, 2017). This identified challenge can be categorised as “cross-cultural” or “differences in culture” because such could not be found to be existing in the western markets where employees have greater bargaining power towards forcing organisations to improve the conditions of work.

THEORETICAL FRAMEWORK

Hofstede's Cultural Dimensions Theory

Under this section, the paper applied the Hofstede's Cultural Dimensions Theory to aid adequate and proper understanding. In China, diverse national culture were faced by the management of Apple Inc. when compared with many other markets across the globe. As stated by Sannino, Lucchese, Zampone and Lombardi, (2020); Escandon-Barbosa, Salas-Paramo, and Rialp-Criado (2021). In better presenting this section, the Hofstede's cultural dimensions theory will serve as the underpinning framework. The Hofstede's cultural dimensions comprises of six components, which are:

- a. Power distance
- b. Distance
- c. Masculinity
- d. Individualism
- e. Long-term orientation and
- f. Uncertainty avoidance

Thus, the idea and notion of cultural distance is applicable too this scenario based on the fact that it presents an highlight the variations in cultural values The United States which served as the home country for Apple Inc. and China (Beugelsdijk, Kostova, Kunst, Spadafora & Essen, 2018).

Among these six (6) dimensions, just four (4) of them are applicable to the current scenario of Apple Inc.'s operation in the Chinese region; and these are power distance, uncertainty avoidance, masculinity, and individualism. Their analyses on this case study is presented in details below.

Power Distance

There is tend to be various form of differentials in and across different Societies from the angle of laws, rights, power, wealth and social status. As posited by Elmoez, Zorgati & Alessa, (2021), the concept of power distance infer that the acceptance rate and level unequal distributions of power in and within organisations as well as institutions. By this analogy, higher power distance infer or indicates that a society is highly stratified and decisions emanating from such societies comes from a centrally autocratic leadership patterns. The scenario being analysed in this paper can be described to have an extremely high power distance and this is because, employers in the Chinese region have greater power than the employees; which further infer that the conditions wherein employees work is in semblance with that of a dictator.

As posited by Carr & Gurman, (2021), Tim Cook, who is the Chief Executive Officer of Apple Inc. elucidated, illustrated and demonstrated an argument when President Biden asked whether iPhones can be manufactured by Apple Inc. in the United States. The response from Tim Cook, who is the Chief Executive Officer of Apple Inc. was that "it was not possible carry out such without some dictatorial practices. The interpretation of that stamen is that autocratic practices can be exercised by Apple Inc. not minding the poor condition of work; this evidence the presence as well as an undertone of power distance.



Uncertainty Avoidance

Even though the existence of uncertainties as a concept is well recognized and understood by every culture, the manner of approach still differs to a very large and significant extent. This is because, some societies tend to confront uncertainty while others prefer to totally avoid and ignore it. Societies whose cultures are centered on avoidance of uncertainty are always found to engage in practices like the imposition of rules, technologies, laws and systems (Elmoez, Zorgati & Alessa, 2021). As earlier mentioned, China as a nation has always sought to maintain control over its teeming populations. This presupposes that at Apple Inc., it is pertinent to make emphasis that some practices are being outsourced to both Chinese firms as well as other Asian owned firms. For instance, Foxconn is a firm that is responsible to a large extent on operations to produce Apple related products, both as a producer as well as a supplier in the Chinese region. This firm called “Foxconn” is also highly responsible for several management practices of the employees which have been generating controversies over the years.

There is a large expanse of land housing the production plant being operated by Foxconn in China and this production plant undertakes massive recruitment, which explains that employees’ issues and concerns are being managed effectively. In the area of uncertainty, it can be asserted that majority of employees will still continue to subscribe to the poor conditions of work based on the fact that there are no better alternatives. From the foregoing arguments, it can be delineated that presenting issues and concerns to management with a dictatorial orientation and tendencies always end up in the presentation of uncertain outcomes; which further implies that any form of activism from the employees will always hit the brick wall.

Individualism versus Collectivism

Categorisation of a society can fall either under individualism or under collectivism and this is based on the mode of interaction between and among individuals. Sannino, Lucchese, Zampone and Lombardi, (2020) expressed that higher degree of individualism represents a scenario where more focus and premium is placed on themselves as well as their ties or circles; while setting loose others who do not belong to their circle. In the case of China, it can be found that the society is collectivist in nature, which will further infer organisations adhering to such requirements as a method of being sensitive to the stakeholders.

Nevertheless, collectivism in China manifests by making priorities on the families over the individual; and practices of this kind are performed by persons who are making sacrifices personally for the benefits of their families and relatives. In this regard, the poor conditions of work were being tolerated all because the involved persons, individuals or employees have families in which they are catering for. Thus, staying without being employed or getting alternative employment puts their families and relatives in great jeopardy; therefore, their resolution to endure the poor condition of work. In some instances, student employees who the organisation hire on part-time basis for the purpose of filling the gaps in this identified plants. As for these students, their only pertinent concern is to make adequate provision for themselves for the sake of easing dependence on their parents. Priorities are given to these considerations as against the challenges being faced by individuals in Foxconn as well as other production plants in the Chinese region.



Masculinity versus Femininity

Concepts such as masculinity and feminism are closely connected with the orientation of a society. As coined by Sannino, Lucchese, Zampone and Lombardi, (2020) masculinity represents the antonyms of social orientation where focus and emphasis are premised on assertiveness, heroism and career aspects while on the other hand, the concept of feminism is connected with quality of life, cooperation and modesty. In the case of China, it can be described that the masculine culture is being practiced and this is due to the notion that citizens are fond of sacrificing their periods of leisure as well as their families and focus more on their jobs. Thus, they will tolerate the condition of work, as individuals perceive that as an avenue for setting up a career path for themselves. This aspect is a reflection of assertiveness that are demonstrated by those in authority where several practices can be enforced by employers without the employees raising any form of questions or objections. Thus, irrespective of the complaints, the masculine nature in the labour market in the Chinese region can be termed as the main catalyst, which drives the engine of persistent poor conditions of work.

CONCLUSION AND RECOMMENDATIONS

Conclusion

Multiple management challenges have been facing Apple Inc. and its operations in the Chinese region and in recent time, privacy concerns of the organisation have been increased as it has lost control of its database center to an organisation owned by the government. In summary, Hofstede's cultural theoretical dimensions have been employed in examining this challenge from the global outlook and how it can be curtailed to foster a balanced society. The above analyses presented that Apple Inc. as an organisation cannot have similar models as well as strategies of operations as it has in other nations in China due to differences in culture. It was also evident based on the above analysis from literature that the Chinese national culture differs to a large extent from that of other markets; this express that any decisions to be made by Apple Inc. must align and be in consonance with the values underlying the national culture of the Chinese.

Recommendation

The first recommendations by Apple Inc. in combatting the above menace is that its management have proposed the engagement of more responsible and partners in the Chinese region. As earlier highlighted, firms like Foxconn is being employed and engage by Apple Inc. to produce its products. This allows employee management concerns to be handled by this organisation "Foxconn" as a producer and supplier to Apple. Nonetheless, based on the agreed partnership, their relationship implies that the unethical practices being meted out by "Foxconn" as a producer and supplier to Apple is that of Apple Inc. as an organisation.

Therefore, such connections can be damaging and noxious owing to the fact that global consumer bases are fully in the know and are also fully aware and have been sensitized over human rights concerns; this have assisted Apple Inc. to stop consumers from boycotting their products despite the high rate of human rights and serious moral violations perpetuated by "Foxconn" as a producer and supplier to Apple in the Chinese region. Apple and its management have proposed to partner with more

responsible organisations; this means that scandals that may involve the management of employees will be minimised and thus, protecting Apple's image.

In furtherance to the above:

- a. Another suggestion is that a compliance framework should be established by the management of Apple Inc., for all partners and suppliers in the Chinese region;
- b. A framework that will ensure that all partnering firms on Apple's supply chain adhere and comply with the Chinese labour laws should have been designed;
- c. Health and safety programmes have been made a significant part of the compliance framework because it is assumed that the Chinese labour laws also address concerns such as worker health and safety; and
- d. It has been ensured that only firms that meet all required standards and comply with the stipulated regulations and laws will not experience any form of backlash over unethical practices from Apple and its management.

Based on this reason, the framework for compliance is set to make sure that activists and critics will no longer find challenges with Apple's employee management practices irrespective of the difference in culture.

REFLECTION CYCLE USING THE GIBBS 1986

Description

The bone of contention under the above case study is the variation in culture which had a significant effect on the outcomes of operations of Apple Inc. in China. The challenge is that culture plays a dominant role due to the fact that the business is operating away from its home front. The first challenge identified was that in the Chinese region, there is power distance where power lies on a dictatorial pattern of leadership style and due to this fact, the poor condition of work being offered by Foxconn which was in charge of its supplies and production in the Chinese region. The framework of analysis in the paper aligns with the "cultural environment of international business" in the class module. This paper shares similarity with this module based on the fact that culture requires a whole lot of attention while away in a foreign land to start-up a business. Employees of such business will be citizens of the country for which the business aims to establish the business and as such, there is a need to prioritise the culture of such countries to avoid any form of negative cap back on the business. As discovered in the course of the paper, China, which served as the case study of the paper, operates a single and centralized style of decision making from the government; this explains the issue of power distance.

Feeling

The significance of culture cannot be over-flogged and this brings to fore why Apple Inc. and its management were very tactical in their approach in dealing with issues from this country. It was further found that the culture operating in the said region is more of collectivism than individualism. This helps to authenticate that family plays a dominant role in China. Thus, the activities of organisations must put this into account and ensure that individuals are given preferences when matters about the family come to the front burner of debates. In the same manner, the economy of China is more of masculinity where work is preferred to leisure and the component of work is viewed as assisting individuals in charting a career path for themselves. The feeling with this is that, a country that prioritises work will produce better manpower with high level of skills and intellects. This to a large extent still reflects the invisible hand of culture.



Evaluation

This part of the Gibbs cycle expresses what was good as well as what was bad about the experience. The truth of the matter is that operating from a country away from your home country has good feeling as it helps you in better understanding the dynamic nature of people and what their culture represents. This will further enhance knowledge and erase any form of cultural shock. The bad side of the scenario is that there is a poor condition of work which cannot be changed based on the notion and opinion that there is power distance and leadership at the top can make or take decisions without consulting employees. In the same vein, the employees have no moral right to contend whatever decision that management of the outsourcing firm makes. It was also discovered that in China, the management has greater power than the workforce or employees and this render the employees powerless in championing protests to demand for better condition of work. This constituted another bad side of this scenario.

Analysis

This part of the cycle explains what can be made out of the situation. To me, based on the above analysis, culture have become a concept that teaches what each society must do and these cultures have been held in high esteem for decades in these regions particularly in China which was used as case study. Therefore, what I can make out of the scenario is that even through culture must be respected, culture should be flexible and centers round more of humanity rather than just the custom and practice. In the same manner, culture should incorporate the dynamics of the new realities into its principles and tenets for it to be balanced.

Conclusion

This part of the reflection cycle seeks to know what could be done better, in my own view, I will take a clue from my the paper's recommendation, that Apple should partner with firms and organisations that have dignity and are humane in terms of conditions of work. Even though the Chinese laws works on a dictatorial basis, the management of collaborating or partnering firms can establish a framework that will incorporate the employees' concerns and demands and factor them into the agenda of the organisation. This will create a better platform for employees to seek for better work conditions particularly in the aspect of health and safety.

Action Plan

This final phase aims to obtain information on what would be done should employees suffer the same fate again. What is required here is that Apple Inc. being a leading firm in the tech industry should make sure that only partnering firms that has the humane ideology to put employees welfare and concerns at the heart of their agenda should be contacted to supply and produce item for Apple, as failure to do this by the Apple Inc. management will spell doom on the organisation and can result into backlash. This is because any firm connected with Apple is view as Apple by the global populace, so, in order to ensure that the global consumers do not boycott Apple's products, there is work with firms and partners that has empathy and treat human in a manner that is humane. With this, employees can get the best and even while culture still plays its role, it will not be to the disadvantage of the employees.



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