

Quality Analysis for an Organization, Part 2

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Part 2: Analyzing Quality for an Organization

Baldrige Award Criteria Analysis

Company Description

Apple is an international technology company rooted in California. They design, develop, and sell prosumer electronics and are considered one of the larger technology companies right up alongside the likes of Microsoft, Google, and Amazon. Apple's physical products include a line of smartphones, tablets, and computers. They even have a smart-watch, smart-speaker, and streaming multimedia device which comprise their primary products' lineup. Apple is known for also developing their own software and firmware which runs on all of their devices. They are very particular in controlling every software element which runs on their devices and although they have a software-development kit for development of third-part applications, they intensely screen all prospective software and enforce strict limitations. Apple additionally has ventured into cloud storage and serves as a financier with their Apple Card and Apple Pay credit card and processing offerings. The Malcolm Baldrige National Quality Award (MBNQA) provides a guide to good practices (Schroeder, 2019). Since 1987 the MBNQA was created to provide recognition to American companies that perform outstandingly (American Society for Quality, 2020). This award has been considered the highest award in America with regard to recognition of excellence in organizational practices. In review of the award criteria, herein below I pronounce my scholarly opinion through synthesis of scholarly sources in evaluation of Apple based on the seven categories of evaluation and have determined Apple to be mature in its strategic and operational goals and in evidence in support thereof denote 880 points of the maximum 1000 points as follows:

Score and Performance for Each Category

The Malcolm Baldrige National Quality Award criteria recognizes excellence in performance in areas of manufacturing, service, and small business. According to Aydin, S., & Kahraman, C. (2018), the maximum score of one thousand points consists of constituent scores in seven categories, to wit:

1. Leadership.

Coming in at twelve percent, or one hundred and twenty points of the one thousand maximum points, the *leadership* category makes up the second most influential weighted category. *Leadership* judges and assesses how well senior leaders and upper management direct the organization, how well they make societal contributions, and a measure of how well they are known as a leader in the community (NIST, 2020). In accord with Kogut (2012), Apple senior management, under its chief executive officer Tim Cook (who took the helm after the passing of its renowned chief, Steve Jobs) pushed forward into two areas of community leadership and improvement: Workers' rights in China and outsourcing. With Cook's leadership choices and noted successes: increasing base pay for workers by sixteen percent, limiting working hours to sixty-hours weekly, and addressing outsourcing concerns, his management shows a lot of strength in direction and societal contribution. Aside from these notables, and after reflection on Dudovskiy (2019), I conclude that albeit, Cook has been recognized by employees as being inspirational, Apple's corporate senior leadership as a whole lacks diversity, touting eighty-one percent male senior officials and eighty-two percent Caucasian senior staff. Lastly, Apple, as of lately, and with its present leadership is commonly criticized by analysts for a lack of ambition and vigor. I surmise that a score of 102 out of 120, for 85%, is an adequate reflection of present leadership. By assessment against the Malcolm Baldrige descriptors, I surmise that a rating of

mature is descriptive since the operations are repeatable processes which are regularly evaluated and which adhere to key strategies and goals.

2. Strategy.

Strategy makes up eighty-five points of the total and reflects a rating of the corporate structure of the organization and the particular methodology by which it has come to be known for implementing strategic decisions. Particular attention is paid to the precise manner in which the company is understood to be presently determining its principal plans for action (NIST, 2020). In contemplation of the assertions by Lopez (2019), I have noted the increase in Apple's software and service offerings, its implementation of a software development kit to court content-creators, its strategic launch of Apple Pay, and its launch into the healthcare market with key technological advances in the Apple Watch. With adequate consideration I would rate Apple a round score of 83 out of 85, for 98% of the points possible in strategy. A descriptor of *role model* fits this rating since operations are repeatable and Apple seeks efficiency, with regard to elements which the strategy category evaluates.

3. Customers.

How the organization courts loyal relations with customers through comprehension of the customers' needs and expectations is an important consideration in the MBNQA, which is why the category accounts for eighty-five of the possible points to award. Perhaps no one would refute Apple's known cult-following. Apple's fans are undeniably some of the most loyal and dare I say, everyone knows it. Apple has established itself in the marketplace as an innovator and leader in quality, luxury, and desirable products. Furthermore, Apple has positioned itself with lean manufacturing practices and a strong global supply chain to adequately service its customers. For each of the aforementioned reasons, I contend that Apple is worth a rating of 85 points out of 85 in the *customers* category. Apple is definitely a role model here, with processes which track progress across key operational and strategic goals.

4. Measurement, Analysis, and Knowledge Management.

This MBNQA scoring accounts for the manner in which the organization uses data that it collects. Furthermore, due consideration is appropriately given to how data is managed and analyzed and used to moderate factors which influence performance on a corporate level. In review of Graham (2018) and synthesizing its review with others across the internet, I have concluded that Apple is definitely a role model in this category as well. They collect far less data than similar tech organizations. They alert iPhone users to sites and companies which are actively targeting them with advertising campaigns, and the new iPhone software update even notifies users when apps are actively using the mic or camera on the phone. In synthesizing Graham (2018) and incorporating his research by reference, I contend that Apple is worthy of a 100%, in this category, the full 90 points out of 90.

5. Workforce.

In an evaluation of the extent to which an organization empowers and involves its employees, permitting them to develop to their full potential while engaging employees and bringing them into alignment with corporate objectives, eighty-five points are given. As aforementioned in my citation of Dudovskiy (2019), Apple employees have recognized Apple chief executive officer Tim Cook for being personally inspirational. Additionally I have considered that Cook has championed workers' rights in China and increasing base pay for workers by sixteen to twenty-five percent and imposed caps on working hours to sixty-hours

weekly. I see a lot of strength in Apple's quality management of employees. A final review, which I synthesized, included Baugh (2019), wherein he states that nineteen people report directly to Cook and he is known to seek consensus when making most decisions. He values the expertise of his workforce and empowers them. Apple is a role model and not only had built an effective and supportive working environment, but through its efforts promotes retention and high performance. I rate Apple the maximum categorical score of eighty-five.

6. Operations.

In assessing a company's operations, the Malcolm Baldrige National Quality Award designates eighty-five points, less than nine percent of the total award to how well the organization designs, manages and enhances its key processes. I do not think that many would disagree when I assert that Apple has world-class operational excellence. Apple employs lean design initiatives. As aforementioned, its senior managers take into account input from subordinates and seek consensus among workers where divergence in opinions occurs. Apple has adequately managed their supply network and for each of these reasons I assert Apple is a *role model* and worthy of at least 80 of 85 points, leaving just over a 5% margin for improvement.

7. Results.

Where the Malcolm Baldrige assessment is weighted is in the category of *results*. The category is worth forty-five percent of the assessment for a total of four hundred and fifty points of the one-thousand maximum possible points (Aydin, 2018). This category consists of five sub-categories according to the Baldrige Excellence Builder, to wit: product and process results, customer results, workforce results, leadership and governance results, and results as they pertain to finances, the market, and strategy. Additional credence is given to how the organization compares with its competitors. In rating Apple, it may be best to take the review sub-categorically. In the latest model of the Apple iPhone, the iPhone 12, Apple made great strides by implementing better screen images and display capabilities thanks in part to the six point one inch super retina XDR display, and better operational capability with the A14 Bionic processor used in this model which devotes two cores to processing at above-par speeds and four dedicated graphical processing units, proving to have provided a twenty percent improvement over last year's iPhone model (Apple Insider, 2020). From a financial, market, and strategy results standpoint, Apple is performing tremendously, Apple's stock has split five times since the company's initial public offering, including most recently a four for one split just three months ago, and before that a seven for one split six years ago (Apple, 2020). Apple is an industry leader, and as such, should be held to the highest of standards in order to get the *role model* designation in this category by the Malcolm Baldrige assessment. Researching contentious points of criticism against Apple corporately yields accusations of anti-competitive behavior, to restrictions on apps which compete with iOS features, to practices of unethical tax evasion, to product quality control problems and misleading warranties, to claims of planned obsolescence, to allegations of collaboration with the national security agency to the extent that Apple was said to authorize the government to secretly access data of foreign nationals without a warrant. For the aforementioned reasons I advocate a step down in Apple's rating from that of a *role model* to the *mature* classification since there is evidence of coordination among organizational units and operations are characterized by repeatable processes which are evaluated regularly in efforts to sustain continual improvement. If a numerical score were computationally necessitated, I surmise that I would afford 355 points of the maximum 450, for a total of 79%.

Recommendations

Preface

I propose five specific recommendations for Apple's improvement with regard to strategic and operational goals within the seven categories of the Malcolm Baldrige National Quality Award criteria. Specifically my five recommendations align with the following five categories, one in each of: Leadership, strategy, operations, results, and customers.

One

Within the category of leadership, Apple could make serious improvement and strides with regard to diversity. Through review of Dudovskiy (2019), I conclude that Apple's corporate senior leadership as a whole presently lacks diversity. Only 19% of its senior staff are females and only 18% are of a minority race. If Apple were to implement diversity in its leadership, they would benefit in the following prospective ways: Through fresh and new perspectives, a wider talent pool, more innovation, better overall employee performance, and through increased profits (Lee, 2020).

Two

Within the category of strategy, Apple has been criticized lately for a lack of ambition and vigor. Apple's biggest supporters love the existing products and typically don't crave new features and perhaps prefer to roll back any new changes which Apple does implement in its operating software. I also look back to Apple's elimination of the 'home button' and the stiff rejection which Apple faced. Apple overcame it eventually when their marketing campaigns successfully touted the increased security features of Face ID, the successor to Touch ID. They also overcame opposition when the ease of glancing at the phone was able to unlock the phone and display the contents of an incoming text, an operation which once required physically handling the phone. This, however, is but a glimpse of the vigor and ambition to which I am referring. I am referring to the creation of new products or the launching of new and innovative software features, rather than Apple's habit of simply playing catch up to competitors' software offerings.

Three

Malcolm Baldrige considers work processes and operational effectiveness in its operations category. In this category, adequate management of the supply network is a major consideration. I have noted above that CEO Tim Cook has championed workers' rights in China, the location of Apple's primary manufacturing plants. Specifically, he has increased salaries for the workers by 16% to 25%, but working conditions still remain poor. Reports describe impoverished factory workers putting in upwards of 35 over-time hours per week and even with pay increases, still making less than the equivalent of 100 United States Dollars monthly. Accounts detail factory workers living on-site in dormitories and not receiving requested financial relief in the form of food or housing allocations (Jacobs, 2018). If Apple is to advance to truly being a *role model* by Malcolm Baldrige standards, then they need to heed these recommendations for improvement.

Four

The results category of the Malcolm Baldrige award is its largest category, and it encompasses product and process results, customer results, workforce results, leadership and

governance results, and results as they pertain to finances, the market, and strategy (NIST, 2020). As aforesaid, researching points of criticism against Apple uncovers accusations of anti-competitive behavior and restrictions on apps which compete with iOS features. If Apple is to achieve high marks in leadership and governance then it ought to not stifle competition but instead remember that competition is, and always has been, good for the consumer. Examples of anti-competitive behavior has previously included, Apple's prohibition on the use or viewing of Adobe Flash objects on websites in its supported browsers, Apple's intentional crippling of Google's Google-Voice offering by prohibiting its app integration, and monopolistic practices by instituting tariffs for apps which wish to use its platform to offer in-app purchases while simultaneously prohibiting any competing in-app purchase platform. Apple should resolve each of these, and other, anti-competitive behavioral practices.

Five

My last recommendation for Apple's improvement involves that Malcolm Baldrige *customers* category. In my previous review of Apple with regard to this category, I gave Apple the highest marks. My reasoning was simple, no one can refute Apple's known cult-following. Apple's fans are undeniably some of the most loyal and Apple has established itself in the marketplace as an innovator and leader in quality, luxury, and desirable products. However, Apple has made some clear oversights and often avoids listening to the feature and product improvement requests which customers are asking for, but instead, following their own company management teams' collective concepts for innovation. It was 2007 when the Apple iPhone first came out and although MMS picture text-messaging had been available in other phones since 2002, it did not surface on the iPhone until late 2009 (Costello, 2020). This is just one example, but there are many examples of Apple not listening to the feedback of their loyal customers. With implementation of the five aforementioned recommendations, I would elevate my rating of Apple from *mature* status to that of the *role model*.

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