**Apple Inc.’s Organizational Structure**

Apple Inc. has a ***hierarchical organizational structure***, with notable divisional characteristics and a weak functional matrix. The hierarchy is a traditional structural feature in business organizations. The divisional characteristics refer to the product-based grouping within Apple, such as for iOS and macOS. The weak functional matrix involves inter-divisional collaboration, while the hierarchy is preserved. The following are the main characteristics of Apple’s corporate structure:

**Spoke-and-Wheel Hierarchy**. The company has collaboration among different parts of the organization, such as software teams and hardware teams. Apple’s vice presidents have more autonomy, which was limited and minimal under Jobs. Thus, the company’s organizational structure is now less rigid, but still has a spoke-and-wheel hierarchy where Tim Cook is at the center. The upper tier of the corporate structure has function-based grouping, which is an element derived from the *functional* type of organizational structure. Senior vice presidents who report to Tim Cook handle business functions.

For example, Apple has a senior vice president for retail, and a senior vice president for worldwide marketing. In this structural feature, the company’s top leaders address business needs in terms of business function areas.

**Product-based Divisions**. The upper and lower tiers of Apple’s corporate structure has product-based divisions, which is an element derived from the divisional type of organizational structure. There are senior vice presidents and vice presidents for different outputs or products.

For example, Apple has a Senior Vice President for Software Engineering (iOS and macOS), a Senior Vice President for Hardware Engineering (Mac, iPhone, iPad and iPod), and a Senior Vice President for Hardware Technologies (hardware components). Apple Inc.’s marketing mix or 4P is linked to this structural characteristic. This aspect of the corporate structure is used to manage specific products or product components that the company delivers to its target customers.

**Weak Functional Matrix**. Apple Inc.’s weak functional matrix refers to the collaborative interactions among various components of the business. In a weak functional matrix, top management determines project direction, while project heads have limited authority and control. For example, the corporate structure allows hardware teams to collaborate with software teams. In this way, the company facilitates information dissemination that is necessary for innovation processes. This structural feature contributes to effective and rapid innovation processes, which are a major business strength shown in the SWOT analysis of Apple Inc. Through this characteristic of the organizational structure, the company maintains strong innovation processes that support brand development and the use of premium-pricing strategies.

## **Advantages & Disadvantages**

**Strong Corporate Control**. The hierarchy in Apple’s organizational structure supports strong management control in the organization. Theoretically, hierarchy empowers top leaders like Tim Cook to control everything in the organization. Through the hierarchy, business functions and product-based groups are effectively controlled through the decisions of the CEO and other top executives. This advantage of Apple Inc.’s corporate structure facilitates rapid and effective strategic management implementation and helps in establishing coherence throughout the entire organization.

**Limited Organizational Flexibility**. Apple’s corporate structure has the downside of low flexibility. Hierarchy typically prevents lower levels of the structure to flexibly respond to current business needs and market demands. For example, the company’s product-based divisions must wait for directives from the CEO or other top executives to proceed in implementing changes that address trends in the market for consumer electronics. However, Tim Cook has already made slight improvements by increasing collaboration among different parts of the firm. Such collaboration improves organizational flexibility. Still, Apple’s organizational structure does not support rapid changes because everything must go through Tim Cook and the top management.

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