

## **Apple's Financial Growth and Corporate Social Responsibility in E-Mental Health Ventures**

**Dr. Yair Maman, Dr. Jeffrey Gardere & Dan Sharir, Ph.D.**

Touro College, 27 West 23<sup>rd</sup> Street,  
New York, NY 10010, USA

### **ABSTRACT**

Apple and other technology companies are introducing a growing number of mobile apps that are designed to help people track and manage their emotions and behavior. The authors applaud a recent policy enacted by Apple to require that these apps go through the rigor of clinical trials before being available for consumers. In considering various aspects of social responsibility, financial growth is juxtaposed with the welfare of the public when it comes to the development of e-mental health apps.

**Key Words:** Corporate Social Responsibility, E-Mental Health

## 1. INTRODUCTION

Apple and other technology companies have introduced mobile applications aimed at improving people's mental health. These include a growing number of mobile apps that are designed to help people track and manage their emotions and behavior. But while some (such as Johns Hopkins University's Mood 24/7 app) are clearly effective in managing depression and mood disorders, many others (such as Headspace) have yet to be put through the rigors of a clinical trial. Apps such as Joyable, combine the use of a live coach via text, email or phone once a week for managing stress. Such apps could be dangerous in that the coaches are essentially unlicensed mental health professionals, deceiving a consumer who is generally uneducated in the field of mental health service provision and with its myriad of current (and needed) regulations (Meurk et al., 2016; Westervelt, 2015).

Apple has recently paid attention to its role in the field of e-mental health and to the fact that Apple's mental health app development should be considered for the company's financial growth. But it is our contention that this has to be done alongside social responsibility efforts to protect the public from underdeveloped apps in the field of behavioral health. It would be advisable for Apple to ensure the company will become well-informed and scientifically credible. It would further be advisable that its growth and profit from the development in the field of e-mental health will be directly related to the way its corporate governance sets the tone for corporate social responsibility and that good corporate governance will be needed for efficient networking between all stakeholders, with growth opportunities that are intended to increase profitability of the company and for the good of society in general (Ayadi et al, 2016; Manoela et al., 2016).

## 2. CORPORATE FINANCE AS IT RELATES TO ANALYSIS AND DECISION-MAKING

Apple's management would need to maintain sufficient U.S. cash to be able to quickly take advantage of strategic opportunities that might present themselves as well as the possibility that they do not want to incur any tax cost to repatriate the foreign cash at the time (Abuaf, 2012).

With the continued development of the apps and in setting up the tone for social responsibility management the company will need to begin by ensuring the firm's ability to satisfy all the standard corporate uses of cash, including the need for transactions, precautionary and risk management) considerations as well as the possible requirements for new investment. In this context a Triple Bottom Line (TBL) approach is advisable as a proactive step in providing increased transparency and a broader framework for decision making where corporate social responsibility/sustainability will be reviewed annually. With the field of e-mental health Apple will essentially be addressing issues related to people's mood, depression and stress. It is easy to see the connection here for the purpose Apple, as a business, to not only be seen as a company looking to increase profit regardless of how it was earned but also as a socially responsible company. Thus, the focus on profits that have led initiative such as the Apple renew program to combat the destruction of natural resources should be directly related to seeing the effects of its apps. Where in many cases Apple not calling for discarding electronic devices after they have been used will have devastating effects on the environment, and with mental health apps direct effects on people this could be easily seen here as a viable component in their ability to mediate how much can go wrong when the pursuit of profits takes precedence over people's basic mental health needs (Abuaf, 2016; Roy and Mitra, 2015).

In addition, Apple will need to have the right capital structure, one that makes full use of the firm's debt capacity while ensuring its ability to carry out its business plan under all economic and industry scenarios. And Apple will need to ensure that the cash distribution strategy helps Apple overall with investors. In this respect it will be advisable for Apple to consider increasing dividend to catch up with competitors, especially if Apple is continuing to earn the public's trust with its apps and are confident in their ability to generate a stable cash flow (Abuaf, 2016).

### 3. APPLE FINANCIAL GROWTH AND INVESTMENT ANALYSIS

It would be advisable for Apple to look at the Universal Investors, Social Investors and Rational Investors in order to understand that they will be theoretically inclined to seek returns that benefit society. With the introduction of apps that have gone through the rigor of the clinical trials that we mentioned with the John Hopkins app, Apple will be able to well position itself with classes of investors whose investment practices are increasingly gaining recognition around the world to share a basic affinity for the promotion of a just and sustainable society. In this regard, the tenets of modern portfolio theory lead the Rational Investor to seek returns where it is significantly based on market price where the actual practices of the Universal and Social Investor reproduce those of the Rational Investor. But it should be pointed out that Universal and Social Investors are now pioneering at least three investment practices that promote returns to the economy and society a) engagement with corporate management b) investments that benefit underserved communities c) the setting of social and environmental standards in selecting investments (Abuaf, 2016; Lydenberg, 2007).

Tim Cook, the CEO of apple, has recently mentioned that quarterly dividend will provide current income to Apple's shareholders and will broaden Apple's investor base by attracting new investors who don't currently own Apple stock (Abuaf, 2016). And Apple will need to enhance its efforts to attract new investors with branding it more as a socially responsible company with its app development. This will also include the ability to limit future dilution from the employee equity programs (Abuaf, 2016). Within this realm Apple should introduce Corporate Social Responsibility as a strategic management tool, as an employee governance tool aimed at increasing employee engagement and increasing the engagement of stakeholders (Joe et al., 2016).

Khoo (2014) contends that enterprises will do well to monitor the increasing consumption of content through mobile devices as users adopt smart phones with improving connectivity. This is what is happening now in Asia and Apple would be smart to take that into account when providing connectivity to support 3G/4G technologies. Most of the mental health apps are being used in the Western world right now but that could be expanded as mental health disparity is being addressed.

According to Mack (2016) developers of health and medical apps are now required to have strict rules to abide by with Apple's new App Store Guidelines for health and wellness. This is good news and Apple should capitalize on this with its competitors who are up until now sitting there and not doing much to include the monitoring of such apps

Mack (2016) also suggests that while previous iterations of the guidelines already laid out the proper protocol for human research subjects and avoiding physical harm the new rules carry much more detailed and specific language intended to protect that public. Apple's new guidelines aren't letting anything slide and it seems that Apple needs to seize on this opportunity to further develop clinical guidelines that will guide the e-mental health field as a whole. But Apple will need to have stakeholders

involved in the development of the app and possibly involve the psychological associations as much as the medical entities. While potential issues with medical apps are inaccurate data or information that could be used in diagnosing or treating patients, the mental health field presents more subtle issues. Moreover, with its recent stance for protecting the public Apple is well positioned to be at the forefront of other apps in development. Apps are limited in their use and that needs to be stressed in this regard. For example, Moodkit is an app that is intended to help individuals with depression, anxiety disorders and anger management issues, with self-monitoring, identifying and changing unhealthy thought patterns, and engaging in mood-enhancing activities. Moodkit may do the job at making some of the general concepts of Therapy available for people to work on by themselves or with the aid of a therapist but would certainly not be helpful to those with moderate to severe depression. Another example is Mind-Shift. This app deals with young adults but also with the vulnerable groups of adolescents and is intended to gain insight into and basic skills to manage symptoms such as anxiety disorders, social anxiety, specific phobias, and panic attacks. While it is useful in managing worry, performance anxiety, test anxiety and perfectionism it will not be helpful for those who are easily overwhelmed by many choices, those who suffer with posttraumatic stress disorder (PTSD) or obsessive-compulsive disorder (OCD)(Anxiety and Depression Association of America, n.d).

Where its competitors are not incorporating such factors into their analysis, Apple should consider highlighting its understanding in the field and also that there may be FDA clearance involved with some apps and that previously allowable apps such as Instant Blood Pressure app, were subsequently shown to be inaccurate, and that we are working with complete different guidelines these days. Apple is also cracking down on drug dosage apps, for a year now and understands that dosage calculators must come from the drug manufacturer or receive approval by the FDA or one of its international counterparts. With a message of social responsibility that needs to be polyphonic involving all stakeholders. Apple needs to highlight its understanding of what is potentially harmful to patients and that apps will be supported and updated over the long term (Mack, 2016).

Apple should also highlight that fact that they prevents all employees from engaging in transactions involving derivatives of Apple stock, as well as the fact that it prohibits directors and officers from selling Apple stock short. In this realm corporate managers are prevented from having any interest besides helping their company achieve growth. When dealing with mental health apps that are subject to the strictest of regulations it is important that Apple fully discloses all political contributions on its website annually. Such policies are intended to preventing shareholders from questioning how their money is being funneled toward political campaigns, a problem that can scare away potential investors (Kannel, 2012) but can greatly contribute to its social responsibility and financial growth in e-mental health ventures.

#### **4. EVALUATION OF FINANCIAL RISKS**

Within the realm of corporate social responsibility I Apple will need to be the factoring in risk taking and this is where Apple will have to consider the evaluation of financial risks with stock market information and market data. Idiosyncratic risk is composed of market information via stock returns and overall market trends where Apple would have the assessment of risk and ethics in an international setting relative to finance and investments (Ayadi et al, 2016). It will be prudent for Apple executives to understand the connection between financial risk and risk assessment when it comes to e-mental health. Any intervention should take a culture-based approach and focus on healing for the

people where risk issues from the perspective of service provider will include: (a) collaterals, (b) commitment to change, (c) violence, (d) mind-set, and (e) mental health. Therefore, there will have to be a strong connection between Apple and the mental health community in that services will need to involve stakeholders who hold restorative approach (Riel et al., 2016).

Any creditors will have to also be a part of the process as it was shown that poor environmental performance may decrease debt capacity through an increase in the overall risk of chemical companies, especially through higher contingent environmental liabilities. And just as there seems to be a significant inverse relationship between leverage and levels of chemicals emissions, and there may be a better environmental performance associated with higher levels of leverage (Connors & Gao, 2010), disclosure of performance in e-mental health may reduce the existence of asymmetric information between management and creditors and allow better risk assessment by stakeholders. This will also enhance a systems approach at Apple and further development of the internal financial control with different risk concepts, risk management perspectives and organizational paradigms (functionalist, interpretive, radical humanist) for a more holistic and reflective risk management approach (Organ & Stapleton, 2016).

## 5. CONCLUSION

The call for apple to help consumers via e-mental health is a noble one. Apple can have greater financial growth with the development of mental health apps but it will need to be socially responsible along the way. Mason & Simmons (201) contend that the use of a holistic approach to corporate governance and social responsibility will integrate company, shareholder and wider stakeholder concerns. Apple should highlight its policy to fully disclose all political contributions and other policies that are intended to preventing shareholders from questioning how their money is being funneled for anything but the welfare of the public when it comes to the development of e-mental health apps.

Apple's financial growth in the division of app development and in the field of e-mental health will need to be guided by good corporate governance and overall ethical framework that is intended to protect the public with the rigor of clinical trials. This will ultimately set it apart from its competitors and allows for a more holistic and reflective risk management approach to further in e-mental health ventures.

**REFERENCES**

- [1]. Abuaf, N. (2012). Excess Cash and Shareholder Payout Strategies. *Journal of Applied Corporate Finance*, 24(3), 39-54.
- [2]. Anxiety and Depression Association of America (n.d.). Mental health apps can be effective tools that make therapy more accessible, efficient, and portable. Retrieved from <https://www.adaa.org/finding-help/mobile-apps>.
- [3]. Ayadi, M. A., Kusy, M. I., Minyoung, P., & Trabelsi, S. (2015). Corporate social responsibility, corporate governance, and managerial risk taking. *Journal of Theoretical Accounting Research*, 11(1), 50-113.
- [4]. Connors, E., & Gao, L. S. (2010). The Impact of Corporate Environmental Performance on the Capital Structure of Firms. *Proceedings of The Northeast Business & Economics Association*, 259-264.
- [5]. Jo, H., Song, M. H., & Tsang, A. (2016). Corporate social responsibility and stakeholder governance around the world. *Global Finance Journal*, 29, 42-69.
- [6]. Kannel, C. (2012, September 14). Corporate Responsibility Spotlight: Apple. Retrieved from <http://www.fool.com/investing/general/2012/09/14/corporate-responsibility-spotlight-apple.aspx>.
- [7]. Khoo B. L. (2014). The secrets of high-ROI mobility deployments. *Networkworld Asia*, 11(1), 14-15.
- [8]. Lydenberg, S. (2007). Universal Investors and Socially Responsible Investors: a tale of emerging affinities. *Corporate Governance: An International Review*, 15(3), 467-477.
- [9]. Mack, H. (2016, September 6). Apple's updated App Store guidelines place added scrutiny on health, medical apps. Retrieved from <http://www.mobihealthnews.com/content/apples-updated-app-store-guidelines-place-added-scrutiny-health-medical-apps>.
- [10]. Mason, C., & Simmons, J. (2014). Embedding Corporate Social Responsibility in Corporate Governance: A Stakeholder Systems Approach. *Journal of Business Ethics*, 119(1), 77-86.
- [11]. Manoela, P., Ioan, S., & Luminița, C. (2016). Considerations Regarding the Analysis between Corporate Governance and Social Responsibility in Romanian Companies, in the Context of Knowledge Based Economy. *Economia Aziendale*, 7(1), 89-94.
- [12]. Meurk, C., Leung, J., Hall, W., Head, B. W., & Whiteford, H. (2016). Establishing and governing e-mental health care in Australia: A systematic review of challenges and a call for policy-focussed research. *Journal of Medical Internet Research*, 18(1), 10.
- [13]. Organ, J., & Stapleton, L. (2016). Technologist engagement with risk management practices during systems development? Approaches, effectiveness and challenges. *AI & Society*, 31(3), 347-359.
- [14]. Riel, E., Languedoc, S., Brown, J., & Gerrits, J. (2016). Couples Counseling for Aboriginal Clients Following Intimate Partner Violence: Service Providers' Perceptions of Risk. *International Journal of Offender Therapy & Comparative Criminology*, 60(3), 286-307.
- [15]. Roy, S. S., & Mitra, S. (2015). Corporate Triple Bottom Line Reporting: An Empirical Study on the Indian Listed Power Companies. *SDMIMD Journal of Management*, 6(2), 33-45
- [16]. Westervelt, A (2015, September 27). Mental-Health Apps Make Inroads With Consumers and Therapists. Retrieved from <http://www.wsj.com/articles/mental-health-apps-make-inroads-with-consumers-and-therapists-1443407477>.