

OD Application: Google's Culture⁹

The company is Google, its product is a search engine, and it still operates under the same freewheeling managerial style that it started with. The company is managed by its designated grown-up, CEO Eric Schmidt. In practice, however, it is run by a triumvirate (from the Latin *triumviratus*, meaning "board of three"). Schmidt is joined in decision-making responsibilities by company cofounders Larry Page and Sergey Brin. Schmidt is a seasoned manager from Sun Microsystems and Novell.

CEO Schmidt was hired in 2001 to provide experienced leadership. He handles the day-to-day stuff. Decisions come from three-way discussions between Schmidt, Page, and Brin. Harvard Business School professor David Yoffie says of Google, "If multiple people are making decisions, decisions don't get made . . . Ultimately one person has to make a decision." Schmidt responds that the consensus-management structure at Google can be maddening at times but it is effective. Brin serves as president for technology and Page is president for products. "We try to run as a group, because partnerships make better decisions," says Schmidt. He adds, "I've tried very hard to have this be a founder-driven company."

Executives at Google keep a "Top 100" priority list, and managers rarely tell engineers what project to work on. Instead, engineers migrate to projects that interest them. This controlled-chaos type of strategy forms fluid working groups that can last weeks or months, but it is tough on planners. Engineers are also encouraged to spend 20 percent of their time working on their own research projects, no matter how esoteric and offbeat. CEO Schmidt says, "It has always been a small team of people who have a new idea, typically not understood by people around them and their executives. [This is] a systematic way of making sure a middle manager does not eliminate that innovation." A vice president says, "We're encouraging creativity and tolerating chaos." The three executives maintain that Google's freewheeling engineering culture is not a liability but an asset. "What we really talk about is how we can attract and develop this creative culture," says Schmidt.

Google has a unique culture, and with a lot of work it has been able to maintain its culture, even with a workforce of over 20,000 located around the world. Commitment to innovation at Google depends on everyone being comfortable sharing ideas and opinions. With each employee a hands-on contributor, everyone realizes they are an important part in Google's future success. This is evident at the weekly TGIF meetings where anyone is free to ask Page or Brin questions. "Nobody works the way we do. The Google culture makes sense if you're in it, and no sense if you're not in it," says Schmidt.

Part of the Google culture is its "ten things," which is the company's list of ten things it has found to be true:

1. Focus on the user and all else will follow.
2. It's best to do one thing really, really well.
3. Fast is better than slow.

4. Democracy on the Web works.
5. You don't need to be at your desk to need an answer.
6. You can make money without doing evil.
7. There's always more information out there.
8. The need for information crosses all borders.
9. You can be serious without a suit.
10. Great just isn't good enough.

With a worldwide marketplace full of competitors, Google must maintain breakthrough innovations. Brin says, "I've seen companies obsessed with competition, say, with Microsoft, that keep looking in their rearview mirror and crash into a tree head-on because they're so distracted. If I had one magic bullet, I wouldn't spend it on a competitor, I'd spend it to make sure we're executing as well as we possibly can. I think we're doing a pretty good job."

Google maintains its focus and strategy. The outward impression of kids playing in a sandbox belies the seriousness and intensity of the people at Google. At lunchtime, employees chow down on free food and pay little attention to Page as he passes by on skates. This is the same group of engineers that will still be around that evening working in groups or writing computer code. They emit an extreme sense of urgency.

Google is under siege from no less than Microsoft and Yahoo!. Both companies were sleeping while Brin and Page were developing new ways to build an efficient, effective search engine. Brin and Page came up with a breakthrough search algorithm and then put together about 10,000 servers to build their own supercomputer.

Google continues to innovate on a number of fronts. It continues to improve its search abilities and ways to attain revenue from the searches. But it is also building new lines such as online-productivity software and a cell phone.

All this intensity is for a piece of the Internet search business. As has recently become obvious, "Search is the key to the kingdom." This is a battle for the heart of the Internet, and Google controls about 70 percent of the Internet's search ad business. Google has revolutionized the way the world finds things out, and people now look for things previously considered unfindable. "The perfect search engine would understand exactly what you mean and give back exactly what you want," Page says. Though no search engine can do this to date, it is an endeavor that Google and its competitors are committed to developing.

Questions

1. Do you think Google will be able to maintain its controlled-chaos type of culture? Support your position.
2. Research Google to determine if it has been able to maintain its culture-strategy mix and remain competitive. Google's Web site for corporate information is www.google.com/about.html.

conditions. A **stable environment** is characterized by unchanging basic products and services, a static level of competition, a low level of technological innovation, a formalized and centralized structure, and a slow, steady rate of growth. Such an environment remains relatively stable over long periods.

A **hyperturbulent environment**, on the other hand, is characterized by rapidly changing product lines, an increasing and changing set of competitors, rapid and continual technological