History and background of google inc business essay

Google Inc. began in 1996 as the brainchild of two bright computer science grad students, Sergey Brin and Larry Page. They met back in 1995 at Stanford University where they were doing their PhDs and they came out with creative ways of finding and organizing large datasets (Hoover's Inc, 2010). After that, they developed a technology called PageRank which enables them to analyze a particular website's relevancy. It occurred to them that a search engine that is based on the PageRank algorithm would be much more effective at obtaining better and accurate results than existing search engines. Thus, that idea became a basis for their soon-to-be famous search engine that was launched on September 15, 1997. Google Inc. was formally incorporated on September 4, 1998 at a friend's garage in Menlo Park, California. Google got its name from " googol", the mathematical equivalent of the number one followed by a hundred zeros, which was a misspelling of that mathematical term (" Google," 2005). This reflects on the founders' original mission to ' organize the world's information and make it universally accessible and useful' (Google. com, 2010). The core competency of their business, the Google search engine has become so successful that it attracted a loyal following among a growing number of Internet users, who liked its simple design and useful results. In 2000, Google began selling text-based advertisements associated with search keywords in order to maintain an uncluttered page design so that speed is maximized when loading a page. Their innovative advertising system, comprised of its AdWords and AdSense products, is so successful that 99% of their revenue is derived from it (" Google," 2005). However, the technological industry demands constant innovation and Google's strong focus on continuous improvement is reflected in the company's ever expanding line of innovative services and

products which includes webmail (Gmail), blogging (Blogger), and interactive maps (Google Maps). Google's strong organizational culture that includes values such as creativity, simplicity and innovation plays a huge role in their tremendous success and gives them a huge competitive advantage over their rivals in the search engine market.

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The Google Culture

Google is well known for their organizational culture's distinctiveness and uniqueness compared to their immediate competitors. On the Google corporate website, they have listed down 10 core principles that guides the actions of the entire organization. These are the values and assumptions shared within the organization. These values are also termed as ' espoused values', where it is not necessarily what the organization actually values even though the top executives of the company embraces them. Here are some of a few of their core principles which will provide a look into Google's management philosophy and the type of culture they want to possess:

' Focus on the user and all else will follow' – Google strives to put the end user's interest ahead of shareholders when making corporate decisions. Google promises to deliver the best user experience possible by providing a clear and simple homepage interface, relevant advertisements and fair placement in search results.

' It's best to do one thing really, really well' – Google focuses on it's core competency, which is search. Google continues to solve complex issues and provide continuous improvements to search. New Google products such as

Gmail and Google Maps are the results of Google's dedication in improving search.

' Fast is better than slow' – Google understands that time is valuable to its users and strives to please them by increasing the efficiency of retrieving the user's search results. Now the average response time to get a search result just takes a fraction of a second. Google is the only company that aims to have the users leave its website as soon as possible.

' The need for information crosses all borders' – Google is founded in California but the existing mission is to enable access to information for the entire world and in all languages. And because more than half of Google search results originate from outside the United States, the organization has offices in dozens of countries and offers the Google search interface in more than 110 languages. As a result, the variety and quality of services Google offer are much more improved.

' You can be serious without a suit' – The founders built Google around the idea that work should be challenging, and the challenge should be fun. Google believes that great and creative things are more likely to happen with the right company culture and thus emphasizes on team achievements and pride in individual accomplishments. Google employs energetic, passionate people from diverse backgrounds with creative approaches to work, play and life.

' Great just isn't good enough' – Google always strives to make its employees deliver more than what is expected. Google does not accept being the best as an endpoint but rather a starting point. Through innovation

and iteration, Google aims to take things that work well and improve upon them in unexpected ways. Google also anticipates user's needs and set new standards with new products and services that can make a difference and change the world.

[Adapted from www. google. com]

In Google, the daily organizational life is distinctive and is one that thrives on informal culture. The rituals that portray the organization's culture as unique and possesses a small-company feel are portrayed daily at lunchtime, where almost all employees eat together at the many various office cafés while at the same time having an open, relaxed conversations with fellow Googlers that come from different teams (Google. com, 2010). Also, because one of the Google culture's main pillars are the pillar of innovation, every Googler are very comfortable at sharing ideas, thoughts, and opinions with one another in a very informal working environment. Every employee is a hands-on contributor and everyone wears several hats (Google. com, 2010). Sergey and Brin also plays a big part of laying the foundation on what the Google culture is and the founders have continued to maintain the Google Way by organizing a weekly all-hands " TGIF" meetings for employees to pose questions directly at them (Google. com, 2010).

In Google, the motivated employees who ' live' the Google brand and are aligned to the company call themselves ' Googlers'. Even former employees of Google have a name which they refer to themselves as ' Xooglers' (Garret, 2005). This shows that in Google, their employees are so involved in the organization that they have their own symbolic name that mirrors the

organization's name and image, which is a sure sign of an existing strong cultural values that are present within the company.

After tremendous growth in Google, the organization moved from a humble office building in Palo Alto, California back in its early days to its current office complex bought over from Silicon Graphics. The complex is popularly known as the Googleplex, which is a blend of the word ' Google' and ' complex' (" Googleplex," 2005). Googleplex is the result of a careful selection that serves to establish Google's unique and individualistic culture in the eyes of the employees and the public. The corporate campus is built to provide a very fun, relaxed and colorful environment both inside and outside. Innovative design decisions provides Google employees 2000 car lots underground so that open spaces above and surrounding the building are filled with unique and interesting architectures that includes an on-site organic garden that supplies produces for Google's various cafes, a bronze casting of a dinosaur fossil, a sand volleyball court, heated " endless pools" and also electric scooters along with hundreds of bikes scattered throughout the complex for Googlers to get to meetings across campuses (Google, 2009). Googleplex is a significant departure from typical corporate campuses, challenging conventional thinking about private and public space. This also points out the alignment of values that are present in Google's culture such as innovation, fun, laid-back, creativity and uniqueness that clearly shows that their organizational culture is truly unique and different from that of their competitors and other organizations.

Within the Googleplex, a truly attractive, fun and extraordinary workplace environment exists for Google employees. The interior of the headquarters is

furnished with items like lava lamps and giant rubber balls while sofas, Google color coded chairs, and pool tables can be found at lounges and bar counters to express Google's laid-back working atmosphere. The lobby contains a grand piano and a projection of current live Google search queries (Google, 2009). The employees' various needs are also taken care of by facilities such as the 19 cafes on campus which serves a variety of food choices for their diverse workforce, a gym, massage parlor, laundromats, and even micro kitchens, which provides snacks for employees who want a quick bite (Google, 2009). This ensures that employees can be more productive and happy without ever leaving the workplace. A manifestation of Google's creative and innovative culture is shown by the unconventional building design with high ceilings to let natural light in, durable floors made of tiny quartz stones, working British phone booths splashed in Google colors, and lounges that also serve as DIY libraries with cleverly placed low-reach book racks adorned with colorful Lego sets and cubes (Google, 2009). All these innovative, creative and colorful designs are symbols of Google's unique organizational culture that emphasizes on continuous innovation.

Google engages their employees by applying adaptive culture in the organization. From their core competency in search engine technology, Google has responded to customers change in needs by expanding onto the mobile market. The employees analyze, anticipate and seek out the opportunities to improve the organization's performance by being proactive and quick in coming out with new technologies and solutions for mobile services. It aims to help people all over the world to do more tasks on their phone, not to mention the several different ways to access their Google

search engine on a mobile phone (Google, 2008). In addition, Google recently entered the smartphone market by launching the Google Nexus One smartphone in response to customer's increasing need for smartphones, which is gaining ground on popularity because everyone is going mobile in the Information Age. This is the result of Google employees' common mental model that the organization's success depends on continuous change to support the stakeholders and also that they are solely responsible for the organization's performance (McShane and Von Glinow, 2008). The employees also believe that by entering into other markets beyond their core competency, the change is necessary and inevitable to keep pace with an ever changing and volatile technological market.

Google's organizational culture places a huge importance of trust and transparency by having an informal corporate motto namely " Don't be evil". This slogan has become a central pillar to their identity and a part of their self-proclaimed core principles. It also forms the ethical codes of the organization where Google establishes a foundation for honest decision-making that disassociates Google from any and all cheating. Its ethical principles means that Google sets guiding principles for their advertising programs and practices, which is where most of their revenues come from. Google doesn't breach the trust of its users so it doesn't accept pop-up advertising, which is a disruptive form of advertisement that hinders with the user's ability to see the content that they searched (Stahl, 2004). And because they don't manipulate rankings to put any of their partners higher in their search results or allow anyone to buy their way up the PageRank, the integrity of their search results are not compromised. This way, users trust

Google's objectivity and their ethical principles is one of the reason why Google's ad business had become so successful. The founders of Google believe strongly that ' in the long term we will be better served, as shareholders and in all other ways, by a company that does good things for the world even if we forgo some short term gains.'

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An Introduction to Organizational Culture

Every organization is unique in the sense that each and every one of them has their own distinct way of going about doing their business. This unique style of doing business that is different in every organization is made out of a complete combination of the artefacts, values, attitudes and shared assumptions of that organization whereby it is known as organizational culture. According to McShane and Von Glinow (2008), organizational culture consists of shared values and assumptions that guide the way that employees within that organization think and act and how they react to opportunities and solve problems. The employees of that particular organization are directed and guided by the " right way" of doing tasks and learn how to prioritize tasks that are important and to differentiate those tasks with other less important tasks. The employees also have certain beliefs and ideas about what kinds of goals they should pursue in the organization and their own ideology about the appropriate kinds or standards of behavior they should use to achieve these goals (Hill and Jones, 2001).

The Elements of Organizational Culture according to Schein (1985)

Organizational culture consists of a few elements. According to Schein's study (as cited in McShane and Von Glinow, 2008), he defines culture as consisting of several levels that are made out of 2 primary categories that drive the organization's action. The categories are made out of the visible elements of culture and also the underlying assumptions underneath, which in other words is the invisible element of culture.

Figure 1. (Based on Schein's Levels of Culture. Schein, 2004, Organizational culture and leadership, 27).

Visible elements are the ' artefacts' that are found in the culture, which is the physical elements of an organization that is observable (Schein, 2004). The visible element of culture is also said to be a manifestation of the culture's invisible values (Schein, 2004). Artefacts can be stories, legends, rituals and ceremonies, organizational language and also the physical structures of the organization (Schein, 2004). The invisible elements of the culture are made out of espoused values, shared values and shared assumptions. Espoused values are essentially the philosophies, goals and strategies that are stated by the management (Schein, 2004). In addition, shared values which are values that employees in the organization believe in and prioritize at the top of their hierarchy of values and also which they all share in common (McShane and Von Glinow, 2008). Along with shared values, another deeper element of culture, which some experts say is the real essence of culture, are shared assumptions which consists of unconscious, taken-for-granted perceptions or beliefs and also thoughts and feelings of individuals within organizations (Schein, 2004).

Organizational Stories and Legends

Stories are a part of the organization that shows the existence of a strong culture. Stories can be tales that talk about courageous things done by an employee of the company, or to ridicule past events that had strayed from the firm's core values (McShane and Von Glinow, 2008). The stories and legends serves as powerful social reminder about the way things should or should not be done. In addition, stories play an important role in communicating the organization's distinct culture in terms of the employees' individual standard of performance, the corporate beliefs and also criteria of getting fired (McShane and Von Glinow, 2008). Stories in the organization can evoke emotion in those that hear these tales which will serve as a permanent reminder to the employees to uphold the organizational culture. Stories is also the greatest way to communicate the culture when it is about real people, real situations and known by employees throughout the firm (McShane and Von Glinow, 2008).

Rituals and Ceremonies

Rituals are a dramatized version of an organization's culture by the customary activities of daily organizational life (McShane and Von Glinow, 2008). This can include how visitors are welcomed, how often does senior executive s pay a visit to their subordinates, how much time does the employee take lunch and how the employees communicate with each other. Ceremonies on the other hand are more formal than rituals. Ceremonies are activities that are carried out especially for the benefit of an audience

(McShane and Von Glinow, 2008). Among the examples are product launches, press conferences and webcasts.

Organizational language

Organizational language is defined as the so-called ' language of the workplace' (McShane and Von Glinow, 2008). It speaks volumes about the company's culture and can portray distinct, unique and important features of an organization's culture by defining the way employees address their colleagues, greet their stakeholders and describe their customers. It is also a cultural artifact and highlights values that are held by organizational subcultures. How terms are used to describe something and how employees communicate with each other determines the character of an organization's culture.

Physical structures and symbols

Former British prime minister, Winston Churchill once said that buildings both reflect and influence an organization's culture. Physical structures and symbols such as buildings and the company logo does and can reflect or influence an organization's culture (McShane and Von Glinow, 2008). The characteristics of the building such as the age, the shape, size, and location can also reveal the values that a company practices such as emphasizing flexibility, teamwork, environmental friendliness or any other values. The company logo characteristics such as the color, symbolic meaning, shape and characters can also portray the organization's culture. Physical artifacts such as desks, chairs, office space, and wall hangings can also denote cultural meanings (McShane and Von Glinow, 2008).

Importance of a Strong Organizational Culture

According to McShane and Von Glinow (2008), a strong organizational culture is very important to a company. It is so valuable and precious to a company because it can give a sort of competitive advantage over other competitors. Companies with a strong culture are likely to succeed, but success is not guaranteed for a company with a strong organizational culture and it is subject to a particular set of conditions. One of these conditions is the strength of the organizational culture. It is referring as to how widely and deeply employees are holding the company's dominant values and assumptions. In a strong organizational culture, most employees across all subunits maintains the dominant values (McShane and Von Glinow, 2008). The values are also difficult to change because they are institutionalized through artifacts. In addition, strong cultures are often put in place by the company founder's values and assumptions. In contrast, weak cultures exist when dominant values are only held by a few people at the top of the organization and are short-lived.

Some experts like Kotter & Heskett, Tidball, Cremer, Besanko, Dranove, & Shanley (as cited in Muafi, 2009) have established that organizational culture has a significant effect on

an organization's long-term sustainability, economic performance and outcomes such as

profitability, turnover and commitment. They also indicated that congruence of values and beliefs seems to create a unifying force that boosts organizational performance.

In Pfiffner and Sherwood's study (as cited in Mahal, 2009), they suggested that there is a positive relationship between the culture and effectiveness of a firm. Wilderom et al., (as cited in Mahal, 2009) described that there is a significant relationship between organizational culture and effectiveness. Culture helps to reduce conflicts in the organization according to Gale's study (as cited in Mahal, 2009), and make the organization more participative and zealous.

Adaptive Cultures

Adaptive culture is defined as an organizational culture that exists when employees places their customers and stakeholders' changing needs as a top priority and giving their support to initiatives that keep pace with these changes (McShane and Von Glinow, 2008).

Embedding Ethical Values

According to Hellriegel and Slocum (2009), organizational culture involves a complex interaction between formal and informal systems that may support ethical or unethical behavior. Formal systems include policies, structure, leadership, orientation, training programs, reward systems and decision-making processes. On the other hand, informal systems include rituals, stories, heroes, myths, sagas, language and norms (Hellriegel and Slocum, 2009). McShane and Von Glinow (2008) also shares a somewhat similar view with Hellriegel and Slocum (2009) on the possibility that organizational culture can affect and influence ethical conduct. This is logical because good behavior are influenced and directed by ethical values that are present in the individual. Therefore, organizations can guide the actions and behaviors of

its employees by planting ethical values in its culture (McShane and Von Glinow, 2008). In a similar way, Hellriegel and Slocum (2009) also thinks that the organizational culture seems to affect ethical behavior. For example, the culture that upholds and places importance on ethical norms is a culture that encourages ethical behavior. Furthermore, the founders also play an important role in enforcing ethical behavior by exhibiting the right behavior.

Pros and cons in applicable theories and models for Google

Satisfied employees not only increase productivity and reduce turnover, but also enhance creativity and commitment (Chen, Yang, Shiau, & Wang, 2006). Based on the findings, Google is already having a playful variation culture in the organization for the employees. This can enable the employees to have an enjoyment environment and this will be able enhance the relationship between the employees and strengthen their bond to work as a team. An enjoyment environment definitely can let the employees to feel satisfied and subsequently will increase productivity. Apart from that, this will shape a convenient work process for the employees that will smoothen the decision making process for the management team. Google already identified the employees are the organization's internal customers and this is the reason why it has been constantly giving employees a sense of purpose, enhancing their self-esteem and sense of belonging for being a part of the organization. The company was reorganized into small teams that attacked hundreds of projects all at once. The founders give the employees great latitude, and they take the same latitude for themselves. Eric Schmidt says that Google merely appears to be disorganized. " We say we run the company

chaotically. We run it at the edge. This can adapt the culture Google and therefore they can individually to generate the ideas on their own.

On the other hand, Google hires employees that have good academic results but without practical experience and this will be a threat to Google in terms of their organization's operation. Google is a results-driven organization and if employees with only creative ideas but lacking of skills to realize the ideas they have initially planned, this will absolutely reduce the productivity of the organizations. Google had been public listed on year 2004 and therefore Google had to take the shareholders' views into consideration before making any decision. The shareholders had been strongly emphasizing on reducing the employee benefits due to the high cost invested on it. This leads to the organizational culture would be degraded and the employees would feel less satisfied and affect their produced results. Employees are very important asset the Google while the shareholders also the contributor of funds for Google. The management team has to weight the importance of both of the stakeholders for the Google as this will create a different organizational culture.

Recommendation

We recommend Google to hire more experienced people instead of the good academic results for the good future of the organization. More experienced employee had already encounter different cultures from other organizations and would be able to inject a better culture for Google. Due to the fact that more experienced employee can also be a mentor for those younger new employees to enhance the productivity throughout the company. Explicit and tacit knowledge are both very important by being acquired by all the

employees. Most of the Google's employees they graduate from university with flying colour result, it means they have sufficient explicit knowledge which the knowledge is organized and can be communicated from one person to another. But they are lacking of tacit knowledge which is not documented and it is action oriented, tacit knowledge can only be acquired by taking action or from someone who has experienced before.

Apart from that, Google also can implement a cultural assessment for the organization to investigate to ensure that the organizations also maintaining and keeping the core value in this competitive business environment. After assessing the cultural in the organization, the management can come out with a new set or standard of operations so this will create leverage between the shareholders and employees. Hence, the stakeholders of Google would eventually feel each and every of them are fairly treated.

All the employees in Google are highly independent, they work independently because they are given very high power in making decision, and this is a good culture of having this organization structure but an invisible competition and conflict among employees are underlying.

Furthermore, according to Bakar, Salleh, & Ling (2008), a need for a more controlled bureaucratic culture is necessary. A high score on bureaucracy means the organisation is power-oriented, cautious, established, solid, regulated, ordered, structured, procedural and hierarchical.

Conflict increase with the level of interdependence, in order to minimize dysfunctional conflict might need to minimize the level of interdependence between the parties. We recommend the organization to use human buffers

who serve as intermediaries between interdependent people or work units who do not get along through direct interaction.

Conclusion

After reviewing information about organizational culture and doing the case study on Google, it is shown that the company does have a unique culture that is begins with the founders of Google. Sergey Brin and Larry Page has established the Google culture that is based on informality, creativity, innovation and fun (Google, 2010). This can be seen throughout the company through the artifacts that are present in the company. The way how employees greet and refer to one another as fellow ' Googlers', where the headquarters of Google are located in a unique and fun place that looks more like a campus than an office, or the way Google treats its employees by providing perks and benefits for them.

The importance of organizational culture has shown through the example of the Google case study. Employees have high motivation at the company because they have a heightened sense of purpose and mission at the company. This is why even some employees who became millionaires are still working at Google (Stahl, 2004). Because the founders of Google set the mission to improve the world and to organize the world's information, that the employees have similar values and beliefs and therefore find themselves aligned with the company.

Nevertheless, not every company can apply the Google culture in their organization. The findings of Bakar, Salleh, & Ling (2008) suggests that not all types of corporate culture could invoke an increase in the employees' job

performance. The study concludes that overall corporate culture does have a significant and positive correlation with job performance. Nevertheless, not all types of corporate culture produce significant correlation with the job performance. Here, only entrepreneurial, bureaucratic and competitive cultures are statistically significant in correlations with the job performance. Thus, an organization that strives to improve their employee's job performance should inculcate innovative culture that creates an exciting and dynamic environment in which entrepreneurial and ambitious people thrive in this environment.

Therefore, it is clearly shown that Google's culture is a unique organizational culture that cannot necessarily be applied in other organizations successfully, especially for organizations that reside in different industries other than the information technology field.