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Introduction

All companies have their well defined organizational features, from the way the company is structured, to the amazing culture, or sometimes negative culture, most companies are known for some aspect. Google is a highly acclaimed company with thousands of employees, and a number of important products used by millions and they are often portrayed to the public as having the happiest workers, nearly all of them being “satisfied” working at Google (Groysberg, Thomas, Wagonfield. 2009, p.6). Google prides itself on having a culture that thrives on innovation, and creativity, as well as always promoting collaboration and overall embraces the “Googley” nature of the company. This does not mean that the company does not have cracks in its organizational structure as well as cultural practices, which become more prominent as the company increases in popularity and with their intentions to go global. This paper will dissect the organizational issues Google may face with its expansion and offer potential solutions, with efforts to keep the “Googley” culture intact.

Issue

In its efforts to avoid becoming a bureaucracy, it seems Google has found itself having an inefficient structure, portrayed specifically by the employees lack of clarity regarding their direct superiors and those to report to. It seems this is a problem many employees have while Google attempts to carry the “Googley” culture over from Mountain View in their expansion. Google has a loose organization structure, even when attempting to increase the number of managers on their staff, each manager having an excessive amount of subordinates. Ancona states “many high-tech companies, for example, favor an organizational structure that is decentralized, project-centered, rather vague as to who is to do what, and continually in flux. Such a structure is more or less

compatible with a faith in professional independence and self-management (i.e., the chain of command is not considered to be important” (Ancona, 2004, p. 61) This often leaves employees searching for guidance and someone to contact regarding issues. One employee explained “I know I’m supposed to get buy-in from other functions, but sometimes I don’t know who to contact.” (Groysberg, Thomas, Wagonfield. 2009, p.9) Employees are lost in this flat structure, interacting with so many different departments on a daily basis that they are not sure when to bring some of their problems. A mixture of structural as well as cultural organizational problems are seen in this example. This leads to many issues down the line of command as well as the transfer of information on a small scale but also globally. The structure and culture of Google are two topics that will be expanded upon throughout this paper.

Analysis

This paper will analyze the structural build of Google using Mintzberg’s framework of organizational structure. Since the beginning, Google has seemed to opt for a decentralized, flatter organization, even going as far as to say there is a “cultural aversion to top-down management”(Groysberg, Thomas, Wagonfield. 2009, p.7) Google has therefore decided as it expanded to attempt a matrix organizational style, meaning that it “sacrifices the classical principle of unity of command in favor of the joint responsibility”(Mintzberg, 1980, p 326). The main issue with a decentralized, fully developed matrix structure is the employees find it hard to know who to report to, and where to get instructions from, seeing as there are more than one person making decisions and it is more a joint effort between groups. It also seems that in it’s expansion Google has not unified the organizational structure in different departments, the case study explaining “particularly in engineering, that have continued to maintain very flat

organizational structures” (Groysberg, Thomas, Wagonfield. 2009, p.7) While Google may feel this structure promotes creativity, and innovation, it also offers congestion and miscommunication between departments as well within departments. The same organizational structure won’t work for every department, but a clear chain of command and organizational map should be used in this type of situation according to Ancona “In this regard, the organization chart is not simply a "map" of strategic grouping; it is also a map showing who must keep whom informed and who has responsibility for linking which activities” (Ancona, 2004, p. 22). This is what a clear matrix organization should look like, where the line of command, and interactions are clearly shown, rather than so much lack of knowledge between the employees. Lack of communication regarding project development is yet another adverse effect to the loose organizational structure of Google. When a company has no top down management assigning projects and tasks, the company has the potential of wasting funds, as well as time due to duplicate projects. It is not uncommon for two employees to be working on similar, or almost identical projects, this is not beneficial for the company, even with a database to prevent this accidental overlapping, the company is still at risk. The case study mentions “It can be difficult to figure out who is working on what—particularly when it comes to how engineers are spending their twenty-percent time” ((Groysberg, Thomas, Wagonfield. 2009, p.12). This is a result of a flat, loose organization, there is no real structure, where employees are given assignments, and tasks, it can more closely be compared with a workshop, where employees just get time to work on projects. This leads to this jumbled mess of overlapping projects and duplicates, which is a massive communication issue, and a waste of funds. Another issue with the flatness of the structure, is that in order for decisions to be made, employees must go to higher ups who are

spread incredibly thin, and have a great number of employees under them, Ancona states that “In particular, individual managers can quickly become overloaded as the number and complexity of coordination issues requiring their attention rises. As a result, key decisions may be delayed.” (Ancona, 2004, p. 22). A delay in product launch or important decisions can be accredited to this poorly designed organizational structure that has overloaded managers overseeing teams of 100 rather than having a larger middle-line that can help take over some of that decision making. Google is famous for their matrix organizational system but every structure has its fallback and according to Ancona the the matrix “along with this complexity can come confusion, higher costs, delays in reaching decisions, and a heightened potential for conflict.”(Ancona, 2004, p. 20). Google does check off some of these boxes, seeing as there are a number of employees confused about who to report to as well as the fact that because of the delay in reaching decisions, Google employees often go ahead with decisions with an 80% vote, which may lead to some conflicts.

This paper will also analyze the inner workings of Google using the framework of culture of Ancona. Based on the case study Google has a working culture centered on the practice of self-management and the idea of “ask forgiveness instead of permission.” (Groysberg, Thomas, Wagonfield. 2009, p.10) This style may work for the Mountain View office but when expanding, the company must factor in that it will not work everywhere. One manager from the case study went on to say “Communication and consistency was a challenge, as was codifying Google’s culture and transporting it outside of California” (Groysberg, Thomas, Wagonfield. 2009, p.12) Google’s culture is something that separates it from every other tech company, but if the company would be in the wrong to solely rely on that to get its workers to be collaborative and creative. One example used by Ancona is “The Japanese, for example, seem to favor close

relations with supervisors and working in groups while Americans press for individual autonomy and independence.”(Ancona, 2004, p.63) This point shows that from region to region, there may be different common practices, that Google’s culture will not fit into, and the company cannot force it to. The culture of the company which includes, its ideals, office environment, working structure and employees themselves, is very important to whether a company will thrive. Google also run’s into the issue where it is only hiring employees that fit into that “Googley” culture and then sending some to their international offices, to further prompt the culture abroad (Groysberg, Thomas, Wagonfield. 2009, p.5). The company can not expect the culture in another region to be like others, after sending a number of employees to carry it over. Ancona states “the cultural perspective suggests that rather than try to find a single organizational culture (or most salient subculture) to explain individual or group behavior, the best approach may be to look for the kinds of issues that call up different meaning systems or cultures for the person or collectivity involved” (Ancona, 2004,p. 63). Google’s blanketed culture system may throw off communication between different departments as well as different subgroups and the company expands, due to its lack of cultural perspective.

“The pitfalls of cultural differences go deeper of course than simply misunderstanding the relationship between words and referents. Because culture concerns shared meanings (however localized they may be), working with some success in different cultural contexts means understanding the assumptions and nuances on which different meaning systems rest.” (Ancona p 64)

Different customs as well as language can get misconstrued when trying to transfer culture, not just the practices in the office. Miscommunication is very common when talking about international business practices and taking a company global. Communication is one of the most

important aspects of the expansion and if that cultural perspective is not being shown from the top-down then the culture may already be on its way to failing.

Recommendations

Google preaches to their employees how awful bureaucracy is, going as far as to have company wide meetings on how to avoid it, with clever cartoon based names and making it a part of the culture at Google, to make sure you're avoiding "Dilbertville" (Groysberg, Thomas, Wagonfield. 2009, p.11). Google is feeding into their employees that a structure with more supervision, as well as direction is all bad. Ancona states "other models for behavior come from the stories repeatedly told on formal occasions (e.g., orientation sessions, company training events, reward ceremonies, etc.)"(Ancona, 2004 p. 61) Google has created this stigma around other working styles, and has used the company wide culture to do so, making the employees think that an increase in management is bad, and not "Googley". My recommendation for Google would be to add more middle managers to its workforce, that way there aren't managers with around 90 or so employees under them. "But as the organization grows and adopts a more complex division of labor among its operators, the need for direct supervision increases. [...] And as the organization is further elaborated, more managers are needed—not only managers of operators but also managers of managers. (Mintzberg, 1980, p. 9) Mintzberg plainly suggests that any growing company, and especially a company on Google's scale, at some point must be making how they divide the work more complex, and moving away from the flatter structure where there is a lack of middle line management. An increase in managers will allow employees to form better connections with their superiors without having to settle for a single one-on-one every year, one manager stating "Scott believed it was important to meet with employees in one-on-one meetings, and she tried to

meet with all 90 people on her team individually at some point during the year. (Groysberg, Thomas, Wagonfield. 2009, p.7). This manager attempted to meet with all of the staffers on her team, this practice should be mandatory, the teams which are under a single manager should be reduced, and more managers should be placed in the middle line. I believe the ease at which the employees view the chain of command will increase significantly which will allow for more focused employees, with clear guidance and a better quality of work. One Google employee believes more managers would be a good thing for the company, stating “My philosophy is that middle management should challenge people to do more, not less. Management should lift the organization and make life more exciting.”(Groysberg, Thomas, Wagonfield. 2009, p.4) This is an employee who has a number of other reporting to her, and she must agree that if done right, an increase in middle management would be highly beneficial for the company. Using Mintzberg's theory to devise a strategy for Google I would say, a completely bureaucratic structure is not what the company needs, but some aspects of that practice need to be adopted into the middle line of the company, like an increase in the number of superiors for its teams. The addition of middle managers will also greatly increase the quality of communication between employees, Mintzberg even goes on to say “Each middle-line manager must maintain liaison contacts with other managers, analysts, support staffers, and outsiders whose work is interdependent with that of his own unit.” (Mintzberg,1980, p. 15) This leads to so many lines of open communication so things are not lost, or unknown to others. Clear communication and frequent check-in with superiors can only help the company succeed and help the employees to work in a more functional environment.

Google’s culture is one that is critically acclaimed and one that is very unique, which is why it is so hard to replicate. Transferring a culture is an action that must be handled with a great

amount of caution. My recommendation is that Google not cement itself to one organizational culture, and rather have its key values the same company wide, but allow for some differentiation region to region. I'm supporting my recommendation with the ideas of Ancona, "The cultural perspective suggests that rather than try to find a single organizational culture (or most salient subculture) to explain individual or group behavior, the best approach may be to look for the kinds of issues that call up different meaning systems or cultures for the person or collectivity involved. (Ancona, 2004, p. 63). Not every system or practice is going to work with a company with thousands of employees, Google needs to be able to adjust it's cultural organization while still keeping the key values very much apparent. This is what will allow google to keep it's "Googley" nature intact, working for a company that recognizes people's differences of working styles, and lifestyles, will make the employees overall more happy and they will respect Gogle for caring. This doesn't mean that translating culture to International offices will be easy, the best strategies for this, provided by Ancona are " Perhaps the best advice to be offered to both individuals and organizations when engaged in cross-cultural exchanges are to be alert at all times for colliding meaning constructions, because incompatibilities at either the denotative or connotative level carry significant potential for disruption in both the short and the long run."(Ancona, 2004 p 64). Any missteps in company culture can end up hurting Gogle in the long run, so it is best to do research and understand the culture of the location Google may be trying to enter. "Taking a cultural perspective on organizations' '(Ancona, 2004, p 64) as well may be the best route for Google to take when trying to replicate their culture. Google should think of it more as a merger of two cultures, rather than just barging in, and dumping all their practices on to these different organizations, it's about taking the time to know what ideas, symbols and practices mean to different groups of people. "It is one thing, however, to recognize

that cultural differences have an effect on how organizations are put together and operate in various parts of the world, and another thing entirely to come to terms with such differences by having to actively coordinate business operations within a variety of cultures.” (Ancona, 2004, p 64) It takes a lot of work to study different cultures, in hopes of doing business with them but Google must take these factors into account when trying to branch out internationally. Overall, having a small number of employees from the United States transfer to their new offices, is a good strategy, but Google must be extremely vigilant, in not letting the American culture dominate the other offices, to where other voices get muffled.

Conclusion

This paper called upon the organizational issues that Google may face in their expansion and their efforts to help Google remain “Googley”. Google will deal with struggles regarding structural decisions moving forward as well as cultural ones. The idea that structural and cultural organization go hand in hand is something this company should reference, as Ancona mentions “As culture shifts, so too does structure. The reverse is true as well because structural change implies, however slow, cultural change. One without the other is incomplete and usually a recipe for trouble.”(Ancona, 2004 p. 59) The organizational issues Google faces may not seem like big issues, but if left untouched, may be extremely harmful long term to the company. As long as Google changes one they must adjust the other, and society is ever changing so to have a company adjusting to the needs of its employees, and a way to maintain the positive company culture, well that is how Google can remain “Googley” moving forward.

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