



Organizational culture and performance. The case of Google

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ABSTRACT

Organizational culture, as a social science concept, has been studied in a range of disciplines from social anthropology to organizational psychology. Corporate culture is used as a concept to denote a more commercialized approach to organizational culture. In recent years there has been a significant emphasis on the concept of organizational culture, as a critical component of day-to-day organizational functioning, and there has been a strong realization that the performance of organizations depends to a large extent on the culture they have developed within them. This is also a very difficult point for any modern manager. Culture can be understood as the invisible side of an iceberg, occupying the most important volume of the structure. The visible part at the level of organizations, can concern what is perceived daily, such as behaviors, final judgments, etc. Managers must successfully manage the invisible—the invisible attitudes and perceptions of employees, departments, and the ways in which they all intertwine and ultimately affect performance.

In the same context, individual performance is a vital factor for organizations. When employees begin to underperform, managers try to address it before it affects the entire department, organization, etc. Often, individual performance is attempted to be resolved, without considering the culture, or the root cause of the problem. Often managers may not realize that they are not individual therapists—since culture is beyond them, what they can do is ensure that an employee can meet the demands of the existing culture. At the same time, they must successfully manage the fluid, ever-changing external environment (which demands the ensuring of the satisfaction of increasingly heterogeneous interest groups). The purpose of the work is to investigate job satisfaction, organizational culture and the subjective well-being of employees.

The purpose of this paper is to investigate the effect that the organizational culture of a company has on the selection and evaluation of personnel, while its objectives are to investigate the selection criteria of candidates based on the culture of the company and the degree to which the corporate culture affects the attitude of the executives to integrate the employees into the culture of the company. The present paper dealt with the above demands, utilizing the culture of the Google Company as a case study. In this way, an attempt was made to derive useful conclusions and suggestions for Greek organizations.

KEYWORDS: organizational culture, culture, Google, profitability, job performance, advertising, employee perceptions.

1. INTRODUCTION

Organizational culture, as a social science concept, has been studied in a range of disciplines ranging from social anthropology to organizational psychology (Alshamari, 2017). Organizational culture can be approached based on its different aspects/dimensions, the different perspectives that have been associated with it, etc. (Tandon et al, 2018). It is worth emphasizing that all of the above concern the ways of approaching the concept. For example, the naming of the dimensions of the concept are mainly related to statistical analysis (the use of factor analysis), while the ones that have to do with perspective, may concern the utilization of different ways of managing the research paradigm. The word culture comes from the idea of cultivation, which can mean both the "metaphorical" development (of ideas, ways, etc.), and the literal, as development of the land (Akpa et al., 2021).

Corporate culture is used as a concept to denote the most commercialized approach to organizational culture (Deal & Kennedy, 1982). In recent years, there has been a significant emphasis on the concept of organizational culture, as a critical component of daily organizational functioning, and it has been strongly realized that the performance of organizations depends to a large extent on the culture they have developed within them (Akpa et al., 2021).

This is also a very difficult point for any modern manager. Culture can be understood as the invisible side of an iceberg, occupying the most important volume of the structure. The visible part at the level of organizations, can concern what is perceived daily, such as behaviors, final, noticeable judgments, etc. Managers must successfully manage the invisible—the invisible attitudes and perceptions of employees, of the departments, and the ways in which they all intertwine and ultimately affect performance.

Many studies of organizational culture have concluded that employees tend to think alike and are guided by the same ideas within organizations (Racelis, 2010). Therefore, some elements can be highlighted:

- The organizational culture concerns the invisible, collective part of the concentrated attitudes, perceptions, symbols, representations, etc.
- This invisible, "abstract" part tends to be unified and centralized (although there may be sub-cultures within each organization). This concentration/homogenization is so strong, that it can lead to the elimination of components that may oppose. However strong the individual origins, there is always the risk and possibility of systemic abundance
- Managers should ideally understand and be able to influence the above subcutaneous “troubles”, which is not easy and is not superficial. Some leaders may instinctively “effect all things and procedures”, but for the majority, it takes work, introspection, and careful observation, in order to apprehend the above

There has been considerable research in the scientific literature investigating the impact of the concept of organizational culture on work performance/productivity and overall organizational performance (Hofstede, 1980).

Stewart, (2007) emphasized that since profitability is the central goal of any organization, the best place to initiate relevant improvements can be located in the work culture, as a very important part of the work culture are the attitudes, perceptions of the employees and the norms that have been instilled. In the same context, individual performance is a vital factor for organizations. When employees begin to underperform, managers try to address this, before it can affect the entire department, organization, etc.

Often, individual performance is attempted to be resolved, without considering the culture, or the root cause of the problem. Often managers may not realize that they are not individual therapists. Since culture is beyond them, what they can do is ensure that an employee can meet the demands of the existing culture (if the culture is a thriving and a successful one). At the same time, they must successfully manage the fluid, ever-changing external environment (Bolboli & Reiche, 2014) that demands the achieving of satisfaction of the increasingly heterogeneous interest groups (Bolboli & Reiche, 2013).

In recent decades, there have been apparent changes at the level of organizational management (Schein, 2011). This has been attributed to the continuous swelling of global competition, alongside the increase in job demands (Rhine & Christen, 2012). Therefore, not only are organizations threatened at the level of knowledge (knowledge that was once important is now common, due to the increase in the ability to transfer information), but they also find it difficult to attract an increasingly diverse and culturally aware staff. The complexity of the modern organizational environment has also forced organizations to seek for effective management strategies.

As a result, emphasis has been placed on organizational culture. According to Kotter, (2012) organizational culture is extremely important, and has a direct effect on a number of organizational outputs and critical variables. Research has also shown that if employees are guided by the same norms and values, their performance tends to increase (Hofstede, 2007). The insights about successful organizations have shown time and time again, that a competitive advantage can come from the achievement of continuous internal innovation linked to the existence of a set of shared beliefs, values and standards within the organizations. These values may have the role of internal alignment/integration of the organization with the individual workers-individuals tend to be more motivated and work harder when their internal values are aligned with the collective/organizational values. These beliefs, values and principles constitute the culture of an organization and act as a source of development of internal management practices for the organizations. They greatly

influence decision making, policy formulation, leadership style and the overall work environment (Hofstede & Hofstede, 2005).

Schein's theory of organizational culture focused on the underlying underpinnings, organizational assumptions, values and "totems" (James & Jones, 2005). Schein (1985) proposed that culture serves the dual role of leading an organization to adapting to changes from the external environment, while simultaneously achieving internal integration or coherence. It is an extremely important definition of the concept under study, as it emphasizes the constant battle between two forces - external adaptation and the achievement of internal coherence. This approach can be extremely useful in today's era, where the two environments, external and internal, are evolving so rapidly (separately and as mutual influences).

The above may deepen the importance of the role of modern managers:

- They should understand and be able to influence the underlying assumptions
- Simultaneously achieving external integration and internal coherence

Even in the case of exceptional innovation and breaking new ground, they should consider whether this will achieve long-term external fit/internal coherence. According to Denison, (1990) there are four pillars, in a successful model of organizational culture - participation, consistency, adaptability and the sense of mission (Kotrba et al., 2012). The theory of Thomas Peters and Robert Waterman (2014) stated that a successful organization is characterized by a bias that leans towards its constant sense of achievement, while focusing on the customer, self-sufficiency and skills (Smelser, 2005). Therefore, the ideal form can be, a collective sense of inadequacy, which is only satisfied by achieving customer-centered results, which will lead to the strengthening of self-sufficiency, through the increase of internal capabilities.

Organizational culture can also be understood as the personality of the organization and is something that can significantly influence collective, organizational behavior. It includes the organization's attitudes, experiences, beliefs, and values, acquired through social learning, that control how individuals and groups in the organization interact with each other and with the elements outside. In addition, attention is paid to the human aspects of organizational life and an emphasis is made on creating appropriate conditions to optimize cooperation, in the process of achieving a common goal (Weerarathna, & Geeganage, 2014). The latter can be considered extremely important. The concept of culture attaches great importance to the "human aspects" of organizational life and functioning. Although the operation of business was largely seen as mechanistic/computational and 'scientific' (in the sense of utilizing mathematical concepts and models), this view has increasingly met with resistance.

Organizations are made up of individuals, and individuals tend to have value, ways of organizing work life, look for relationships that can be created, be aware of a sense of deep meaning, etc.

Cohesive, thriving cultures are believed to tend to support higher levels of productivity, work ethic and engagement. Even achieving work engagement has been argued to rely heavily on understanding and internalizing organizational culture.

2. LITERATURE REVIEW

From the above, the importance and extraordinary complexity of the concept of organizational culture has become apparent. Culture is a "deep" concept, and it can be argued that it is not an accident that it has come to the fore in recent years (although of course it has been studied for a very long time). The reason is probably this - global competitive conditions have changed rapidly, in line with the knowledge acquisition abilities of the average consumer and the average business.

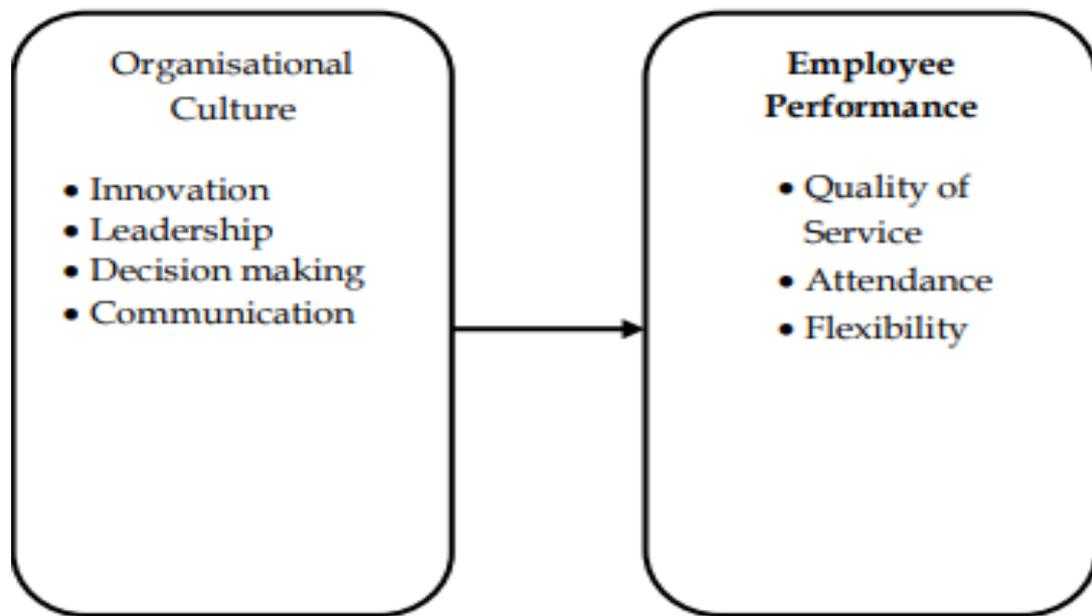


Figure 1. Organizational culture and organizational performance
Source: Weerarithna & Geeganage, (2014)

In the Figure above, the relationship between culture and job performance can be seen. Culture has been approached as the ability to innovate, competent leadership, decision-making and communication. Work performance has been measured as a quality of services offered, work participation and flexibility.

Organizations in the past, may have relied on some operating models and some principles, based on the existence of some competitive advantage. Now, these concepts do not exist. The scientific principles of managing the production process, the optimization, are a common property and organizations compete more and more on intangible elements - the brand image, the deep understanding of customer experience, the continuous achievement of innovation, etc. In all of the above, the existence of a thriving organizational culture can play a central role, as it can critically affect the ability to develop collective knowledge.

Culture has been called the way of life for an entire organization and has been defined as a pattern of shared basic assumptions learned by the group as it can solve problems of external fit and internal integration. This model of thought, worked well enough to be considered valid and therefore taught to new members as the correct way of perceiving, thinking, and developing senses in relation to these and new problems (Schein, 1990).

In other words, as groups evolve over time, they face two main challenges: integrating individuals into a cohesive internal environment and adapting effectively to the external environment in order to survive. As groups engage in finding solutions to these problems, they gradually engage in a kind of collective learning that creates the set of shared assumptions and ideas called culture (Schein, 2011).

Figure 1: Conceptual framework

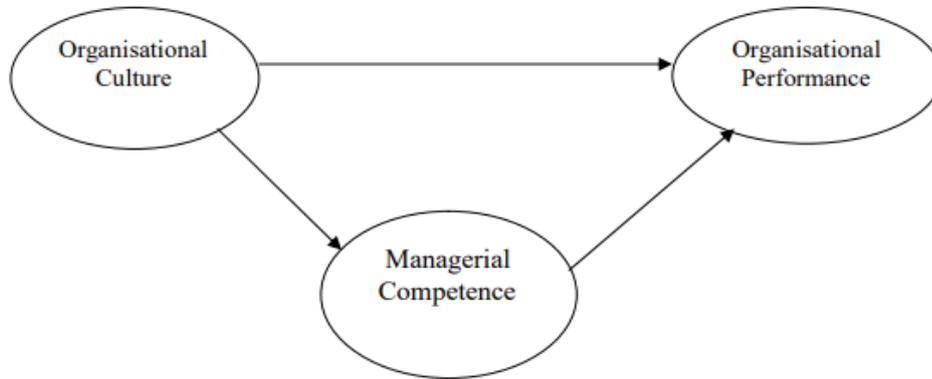


Figure 2.Organizational culture, organizational performance and managerial competence
Source: Li&Voola, (2020)

Therefore, in the above research model it appears that management competence is a mediator, or alternatively can explain the relationship between organizational culture and organizational performance. In the following research model, the relationship between the 2 concepts is shown:

- Organizational culture has been approached as goal achievement, job satisfaction and engagement, adaptation orientation, team spirit, mutual support orientation, cooperation and alignment, and reward performance orientation (intrinsic value).
- Performance has been measured as monetary/financial, as customer view, as job satisfaction, as quality achievement and as internal, organizational processes

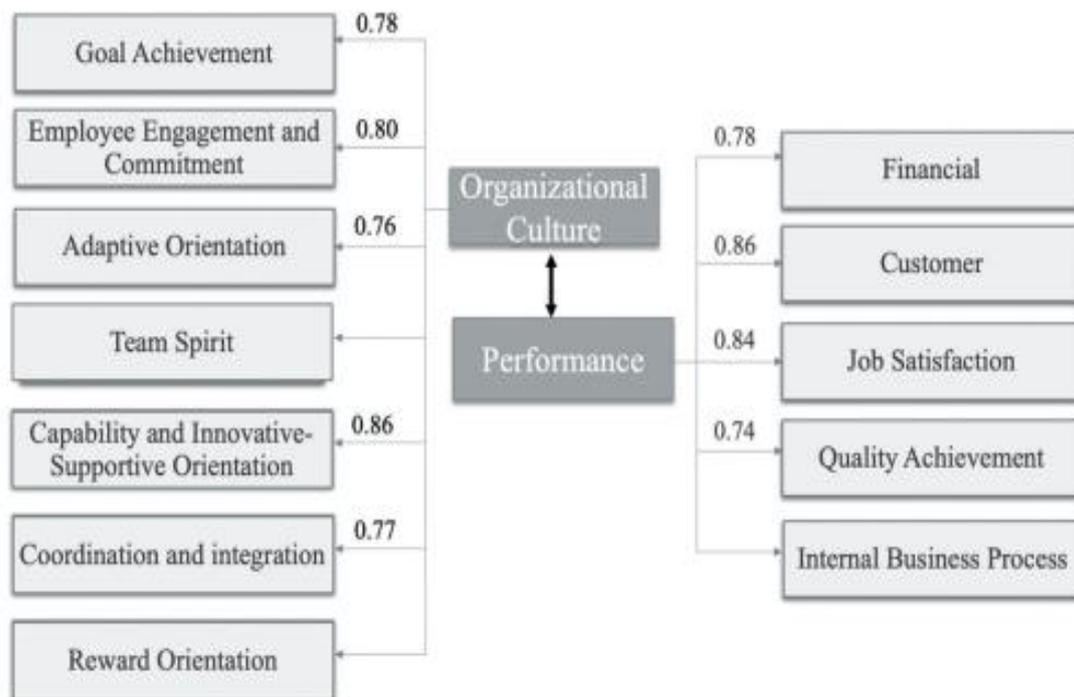


Figure 3.Organizational culture and performance
Source: Li&Voola, (2020)

Culture, therefore, can be seen as the social glue that holds organizations together and aligned and allows for internal control through informal, unstructured, rigid means (shared values, beliefs, norms, etc.). Culture in this perspective can help avoid fragmentation, conflict and tensions and serves as a sense or control mechanism that can guide and shape attitudes and behaviors (Alvesson, 2002). The question is whether the leadership is able to decode this mechanism. Culture has also been described as a set of values, beliefs and behavioral patterns that can differentiate some organizations from others. King (2012) emphasized that culture is a system of values that subconsciously and quietly can guide the choices and decisions of individuals within an organization, while it can embrace the norms and experiences, described as work arrangements, by members (Schneider et al., 2013). Such norms shape how members behave and adapt in order to achieve organizational outcomes.

It has also been described as how members of an organization interact with each other and other interest groups. Another definition has been given by Claver, et al (2001), where it was stated that culture is a set of values, symbols and rituals, shared by the members of a particular organization, that describe how things are (how they are done) in an organization in order to solve internal management problems and those related to customers, suppliers and the environment.

Some things that seem to be apparent in most of the definitions, are the following-culture includes the concept of social group, context (culture is considered a social construction, related to each organization and the location of employees, history, work environment and specific events), the concept under study is multidimensional and multi-layered and it includes many cognitive and symbolic dimensions.

Finally, most authors have also agreed that organizational/corporate culture is something that is holistic, historically defined (by founders or leaders), related to things from anthropologists' studies (such as rituals and symbols), socially constructed (created and maintained by the group of people which together constitute the organization), soft and at the same time, difficult to change.

The concept of culture received significant attention in the late 1980s and early 1990s as management scholars investigated how and why American firms failed to compete with their Japanese counterparts. The concept of national culture was not considered a sufficient explanation and instead, models were needed that allowed for the explanation of variation among organizations within the same national culture (Schein, 1990). At the same time the works Waterman (1982) and Deal and Kennedy (1982) were regarded as very important and influential (Akpa et al., 2021)

Waterman, (1982) claimed that high-performing organizations can be distinguished from low-performing organizations on the basis of certain characteristics related to their culture. Similarly, Deal and Kennedy (1982) suggested that organizational performance can be enhanced by the existence of strong, shared values.

Saffold, (1988) emphasized that more ability to explain the link between culture and organizational performance is needed. Further studies conducted by Kotter and Heskett (1992) and Lee (2006), came up with inconsistent findings.

Shakil, (2012), found that the characteristics of consistency and adaptability (at the culture level), can significantly influence management practices. Aluko, (2004) found that there is a strong correlation between organizational culture variables and levels of commitment, turnover and positive attitudes towards the work environment. But these did not immediately translate into improved financial performance. Therefore, it is very important to know how the organizational performance is measured, depending on the internal dimensions (job satisfaction, low turnover, etc.) and the external ones (profitability, growth, etc.).

In another study, Mba, Okechukwu and Agwu, (2013) reported that there is a significant and positive relationship between culture and employee commitment and productivity (Akpa et al., 2021).

In another study by Fakhar, Iqbal and Gulzar, (2014), culture was found to have a positive significant effect on individual job performance. Njugi and Agusioma, (2014) concluded that culture can significantly affect performance, through enhancing organizational philosophy, work atmosphere and organizational stability.

3. PROFILE OF GOOGLE

It only took Google two decades to become the company that changed the world. Essentially everything started from a student project at Stanford University in California. Before Google, there were search engines but now it's largely forgotten how difficult it was to get the results you really needed. In 1998, for example, if one typed

the word "cars" into Lycos (then one of the top search engines), most of the responses would be pages with pornographic content (Pressaris, 2022).

Going back to the beginning, however, the founders of Google were not initially interested in discovering a better way to search, but the motivation was more scientific. In academia, the more frequently a publication is cited, the greater its credibility is. In that respect, the founders realized that if they could find a way to analyze all the connections on the nascent World Wide Web, they could rank each page according to its credibility on specific topics. But to do this they had to "download" the entire internet. This was not at all easy as it ended up overloading the University's servers.

The founders very quickly attracted investors and ended up establishing a private company on September 4, 1998. It is now one of the largest in the world, bringing in, tens of billions in profits. In the first years, however, they lost a lot of funds without knowing how or if they would get it back. Google founded its model in 2001: Pay-per-click advertising. Advertisers pay Google when someone clicks through their website after searching for specific terms. Google displays the ads of the highest bidders alongside the organic search results.

For his part, the advertiser pays when he reaches the agreed number of people who will show interest in his product. Google got its value on the premise that "Time is money". Various studies have shown that googling is three times faster than finding information in a library. Likewise, finding a business online is three times faster than using Yellow Pages.

Another plus is price transparency—the fact that someone can go into a store, find a product, google it, and see if it's available elsewhere for a better price. This is something annoying for the shop but useful for the customer. A decent search engine makes it easy to find a product even if someone is looking for a "needle in a haystack", which has allowed the rise of online stores that offer more variety. Customers with special needs are more likely to find exactly what they want than if they go to the nearest local store or supermarket. And entrepreneurs can market very specialized products, more confident that they will find the corresponding market.

Google dominates the search market as it handles 90% of searches worldwide. Businesses rely on their Google rankings especially in organic search results. And Google controls the algorithms that decide them. The company gives some tips on how to search for something correctly but there is no transparency on how the results are ranked. Because doing so would betray information with which one could trick the system (Pressaris, 2022).

4. RESEARCH

The organization under study receives an average of 2.5 million CVs per year. However, it is not only indoor swimming pools, beach volleyball courts or free laundry facilities, providing naps and providing each employee with three meals a day (Toombs, 2020) that have led the company to the top list of employers in a global level. These moves can make someone not give the necessary importance to the carefully studied and analyzed small details that form the basis of the organization's high-performance culture (Toombs, 2020). Psychological safety is a necessity

In 2012 Google launched an in-depth study to determine what made teams work together and achieve great results. The company assembled a team of statisticians, organizational psychologists, sociologists and engineers to come to a conclusion. This project, known as Project Aristotle, looked at studies spanning in five decades, as well as every possible characteristic of groups within the organization. They looked for patterns in how groups socialized outside of work, personality traits (introverts, extroverts etc.) of group members, educational attainment, hobbies, and many other variables.

It became clear that these features did not have the expected effect on performance. However, there was one variable that stood out—psychological safety. Psychological safety has been defined as an individual's perception of the consequences of interpersonal risk taking. In other words, it is how each team member perceives their ability to be innovative, admit a mistake or ask a question without worrying about being judged or lowering their status within the team.

Through the Project, it was found that team effectiveness is less about who is on the team and more about how the team interacts with each other. Teams that excel have been found to be those in which members feel they can contribute equally to any meeting or conversation with the confidence that their teammates respect them enough not to reject, embarrass, or punish them for this.

In 2008 Google launched Project Oxygen – a project to determine the best qualities of the best managers. The Google team collected over 10,000 observations about their leaders, to determine which features employees found useful and which features were unattractive. Before that, the working theory within Google was that good managers or leaders should have more technical knowledge than those that they lead. Based on the data, Google found that strong communication and empowerment of team members were among the most valuable traits of good managers.

Ultimately, the “Eight Habits of Highly Effective Google Managers” model was created that includes

- Being a manager is being a good coach: through regular one-on-one meetings, consistent feedback and balancing negative with positive criticism managers should opt to be good coaches
- Empowering the team and avoiding micro-management: Always give advice to subordinates and give them freedom
- Expressing interest in the individual success and personal well-being of team members: having knowledge of what is important to team members outside of the workplace and taking time to welcome new members to the team.
- Encouraging productivity and results orientation
- Communication, honest dialogue and active listening to subordinates
- Assisting subordinates in career development
- Existence of a clear vision and strategy for the team - team participation in it
- Basic technical skills

5. ANALYSIS

Google's culture strengthens the company as one of the leading companies in the online technology and digital advertising industry (Smithson, 2022). Organizational culture or corporate culture is the set of traditions, customs and ideas that influence the behavior of employees in the workplace. The culture motivates Googlers to share information within the organization to support innovation. Innovation is a factor that allows the company to maintain its competitiveness against other technological competitors, such as Apple, Facebook, Samsung, IBM, Amazon.com, etc. Through its corporate culture, Google ensures the workforce's ability to address business needs associated with external forces involving competitors. The company continuously reinforces its culture, through formal institutional measures, such as employee training, and through informal approaches, such as personalized leadership support. Efforts to continuously improve the characteristics of Google's culture are applied to sustain creativity and innovation.

The characteristics of Google's corporate culture are focused on improving employee performance. The company uses this culture to effectively motivate its human resources. The company also emphasizes the importance of openness among employees as a way of promoting an innovative mindset adapted to the technological nature of the business. The company culture drives innovation that applies to Google's approaches to competition in various industries. For example, the culture helps the company innovate its technological services that it provides to clients in the online advertising industry. The following characteristics define Google's corporate culture:

- Openness (Openness refers to the open-mindedness and open exchange of information among Google employees. Innovation (Google's structure design supports the corresponding culture by encouraging employees to communicate and share their ideas. Innovation is a critical factor success in Google's business The company's culture motivates employees to contribute to the innovation of the business and its products
- "Cleverness" or achieving outstanding results
- Practical approach
- Concept of a small company-encourage the development of personal ties

6. CONCLUSIONS AND PROPOSALS

As emphasized, culture is an extremely important "force/forces" that pertain to the foundations of any modern organization. These forces must be deeply and thoroughly understood by the leadership. To do this, resources, energy and thought will have to be devoted. As shown by the organization under study, the examination of the subcutaneous mechanisms influencing organizational performance led to important insights. Not every company is Google, which has perhaps the most "talented human resources" in its field. Google has a strong organizational culture and leadership with examples of flexible adaptability to the demands of the times, with the implementation of a targeting system and external market orientations and a desire to innovate. But any organization can benefit from placing importance on understanding the variables surrounding organizational culture. Any effort in that direction can bring positive results in the future. Therefore, the management of a business must cultivate a spirit of entrepreneurship in individuals and groups because this teaches the employee

to aim, test and hope and ultimately gives meaning to the existence of the employee. It must "see" the talents and correctly assess and utilize their potential. Also management must play a decisive role in the formation, integration and dissemination of the culture to the members of the organization.

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