

Google, the Network Company: From Theory to Practice



By David Dubois, INSEAD Assistant Professor of Marketing

In a fast-paced, rapidly evolving business environment, a networked, collaborative structure can give an organisation a competitive edge.

Based on a conversation with Nick Leeder, CEO of Google France.

If many of us are regularly imparted advice to build a solid network and cultivate our relationships, it's because there is a lot to gain in doing so. In fact, a good deal of research shows that people benefit from being in contact with a larger, diverse crowd, as it creates greater access to novel information, better job opportunities and higher salaries. Indeed, the footprint of individuals' social networks reveals a lot about their current professional and personal situation. If you nurture your network, the network will nurture you back.

For companies too, embedding employees in the company's network that specifically includes ties with potential collaborators and significant actors can yield better deal making and access to new resources. Yet, moving from thinking about the environment in terms of a network and actually implementing a network perspective within a company can be quite

challenging, which explains why only a handful of companies have done so. One such company is Google, and here is how they are trying to live the “network company”.

First, Google makes clear to all new recruits what they can expect from becoming part of the company. “People don't come to Google to get a job, but to gain a network and become a topic expert,” says Nick Leeder, CEO of Google France. To achieve this ambitious objective, a lot of organisational effort has been mounted to empower collaborators and give them more freedom to start projects that matter to them.

In addition, the emphasis has been on flattening the organisational hierarchy as much as possible. “No one will bring you a coffee, or assist you in booking professional flights,” says Leeder. “At Google, no one has an assistant; we really want to empower every one of our collaborators.” Having as few hierarchical layers as possible gives collaborators the opportunity to meet and interact more freely, resulting in natural “leaders” or “experts” emerging as a function of their role in the formation of natural sub-networks within the company. In this “quasi-flat organisation”, contact with the operational leadership is almost immediate, thus injecting a lot of flexibility in the company.

Second, decision-making at Google is, at least partly, network-driven. For instance, job-hiring decisions are highly participative, with at least four Google collaborators co-deciding on a new hire. This participatory culture both tightens the standards of excellence and quality for hiring and ensures that new hires will “fit” within the network culture and community. In addition, by giving equal weight to all four interviewers, this process makes sure that one of the key principles of the company – power-sharing – is brought to life in hiring decision.

This very principle also applies to other important decisions. “The job of a manager,” notes Leeder, “is to create consensus, not to tell people what to do.” In this new configuration, leadership is much closer to the role of an editor relying on his network of journalists to make editorial decisions based on everyone’s input than to that of a power holder making decisions on behalf of his collaborators. This approach also implies a high degree of information sharing within the network to facilitate consensus building. “At Google,” says Leeder, “the power has shifted from ‘I know, thus I can’ to ‘I share, thus I can.’”

Last, but certainly not least, Google puts into practice the idea that a network is a living animal composed of smaller, malleable groups. The average team size ranges from five to ten depending on the topic that serves perfectly Google's motto: "We prefer to be fast than to be right". Indeed, the malleability and small team size allows Google to focus on execution, one of its core strengths. As a result, there are more than 10,000 daily conferences on Google+ to facilitate working together on team projects.

In addition to organising its workforce into small, fast-paced and flexible work teams, Google also makes sure that evaluations are transparent and network-focused: every six months, a mutual peer evaluation questionnaire in which everyone assesses their peers leads to public ranking where natural network leaders emerge.

While such a network-driven organisation is not always possible or even desirable, it makes perfect sense in the case of Google, a company competing in a very fast-paced, ever-changing environment. In this environment, knowing how to adapt quickly to almost daily trends is a key asset. By encouraging individuals in their webs, Google keeps an edge at being the network company on the Web.



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