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MGT560: *Leading Organization*

Module Assignment: *Google's Leadership*

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Google's Leadership

Google is currently the most used online search engine. Current Google's success can majorly be credited to its leadership styles since its conception. Larry Page and Sergey Brin co-founded Google in 1998. Armed with the vision to organize global data in an easily accessible manner, the two dropped out of school and began actualizing their dream in a garage. Larry and Sergey pitched the idea to several investors who helped them start Google ("Google: How we started and where we are Today", 2022). As they started Google, they directly managed the few employees they had.

Larry and Sergey used a Laissez-faire leadership style to manage Google. Laissez-faire is a leadership style that entails leaders leaving the employees to operate independently without micromanaging them (Murray, 2011). This leadership style stems from the ideology that people perform best when they manage themselves rather than having leaders on their necks. The two founders understood that using that leadership style was crucial for the growth of the start-up since it created room for growth. This leadership style creates an environment for creativity and innovation and a relaxed environment that motivates the employees.

Additionally, the leadership style improves a company's employee retention rate. Most employees enjoy an independent environment compared to other leadership styles where the leaders micromanage them. Therefore, the employees find it hard to switch employment and move to other companies where leaders micromanage the employees ("Larry Page Leadership style", 2021).

The Laissez-faire leadership style also has several downsides. For instance, the independence given to the employees is dangerous if the employees lack self-drive. Therefore, the employees fail to perform well when there is a lack of supervision. The minimal intervention by leaders is also dangerous for newbies who need constant guidance to ensure they grow.

The Laissez-faire leadership approach contributed highly to current Google's success. The 70-20-10 employee structure was implemented in Google due to laissez-fair leadership. Eric

Schmidt, one of the former CEOs of Google, introduced the approach to Google. He encouraged employees to spend 70% of their working hours on the core projects, 20% on the side projects related to the main project, and the remaining 10% on their desired project (Manimala & Wasdani, 2013). This encouraged employees to perform their delegated duties thoroughly and still have room to work on their creative ideas. The innovative environment led to the birth of several products from Google, like Gmail, Google Chrome, Google Plus, YouTube, and Google Drive. However, as the company grew, the initial founders could no longer manage the company directly, they had to have a board of directors and several leadership positions to manage the fast-growing company that had been publicly listed.

The highly innovative environment proved to be a double-edged sword for the company. It brought more innovations and drove the company into many investments that did not necessarily generate revenue. Consequently, the investors raised concerns about how the other bets drained Google's profits. Thereafter, the management found it wise to split other bets from Google. The aftermath was the birth of Alphabet. Alphabet became the mother company with Google Inc, a subsidiary alongside other risky subsidiaries the company was venturing into.

The birth of Alphabet led to a reshuffle of leaders across Google and other subsidiaries. This reshuffle was accompanied by several changes in the leadership style. The changes were also bound to happen as times changed. The technology industry is a fast-evolving industry; therefore, companies also have to change fast to ensure they remain relevant and up to date with the current trends. Failure to change its ways of operations, the company subjects itself to the risk of losing its market share and finally exiting the market, as evidenced by various companies that went from being technological giants to going out of business. These companies include Nokia and Block Buster. The change of organizational structure and leadership structure in Google brought a new leadership style; the distributed leadership style.

Distributed Leadership Style in Google

Distributed leadership is built on the foundation that leadership should entail sharing responsibilities rather than delegating duties. In distributed leadership, the goal is to have many individuals who play the role of a leader. This leadership style was initially implemented in schools, and later, corporations found it useful. Similar to the previously used Laissez-faire leadership style, the distributed leadership style encourages independent thinking in an organization.

Sundar Pichai, Google's current CEO, took up the role in 2015. He took up the job as the Chief Executive Officer (CEO) at a moment when Google was facing backlash from several stakeholders due to its untamed risk appetite that was threatening to take the company down. The high-risk appetite was a result of the previous Laissez-faire leadership that had created a conducive environment for innovation. However, since the innovation went on unchecked, the company ended up taking part in many risky bets that did not yield any financial benefit both in the short run and long run. As a result, the core purpose of Alphabet being set up as the parent company to Google was to create a structure that promoted risk aversion since Google could no longer be part of the risky bets. The co-founders retained the leadership of the parent company, Alphabet, and appointed other executives like Pichai to lead the subsidiaries (Cusumano, 2016).

Coupled with the risk-averse structure and a keen eye from the stakeholders, Pichai chose a leadership style that could retain the creative environment but also tame the company's risk appetite; distributed leadership. According to an interview published by Forbes, Pichai's colleagues described him as a team player who valued everyone's opinion and participation (Adams, 2016). He was also thorough in decision-making and avoided rushing. These individual traits drove him to implement the distribution leadership style at Google (Manimala, 2017).

The distributed leadership had several upsides that propelled the company upward to become one of the most valuable companies globally. Currently, Alphabet, the parent company of Google, is the fourth most valuable company globally, with a worth of \$1.47trillion (Choudhary, 2022). Among the strengths associated with distributed leadership that played a role in Google's success is the improved quality of decision-making ("Distributed leadership", 2022). Since more people are involved in decision-making, the company ended up with a check and balance system whereby a few individuals could not push the company to make risky investments, as witnessed before.

The distribution of leadership among different employees ensured that their different expertise in different fields could play a crucial role in the decision-making process. The employees also began making better decisions since they had to be responsible for them. On the contrary, other leadership styles with few leaders encouraged moral hazard whereby employees did not care a lot about their decisions since they could not be blamed for them. However, the current leadership in Google, distribution leadership, has had several downsides. Some executives have come out openly and anonymously to criticize the manner in which Pichai has been leading Google Inc.

Flaws in Google's Leadership

The distribution leadership that Pichai is currently using to manage Google Inc has been subject to several criticisms. The critiques have pointed out flows to the company's operations and decision-making relative to the leadership. Some of the flows the distributed leadership style has imposed on Google Inc. are; a slow decision-making process, lack of accountability, leaders feeling left out, and limited innovation due to the constant risk aversion.

Slow decision-making

The distributed leadership style entails having many employees as leaders. When a decision has to be made, the involvement of many leaders creates a situation whereby different people

need to air their opinions. This creates the risk of stalling crucial decisions as people attempt to come up with an agreement on the way forward (Miller, 2018). Initially, this slow decision-making was necessary to mitigate the company's high-risk appetite. Slowing down and thinking through each decision was to ensure the company does not find itself in a predicament whereby it is not implementing all innovative ideas regardless of their potential to generate profits.

The executives in Google have also raised concerns that the slow decision-making process has made it an uphill task to fill crucial positions in a company. They gave an example of a position that took a year before it was agreed on which candidate was suitable for the role. Such decisions can easily stagnate the company's progress since it might spend longer hence wasting time and resources that could have been redirected to other activities (Wakabayashi, 2021).

Decreased innovation due to risk aversion

Despite the new leadership style presenting the company with a solution for the increased risk appetite, it also presented a new challenge. Google Inc. became susceptible to missing out on new viable innovative ideas. Taking too much time and thought to execute an idea in the technology industry presents the risk of lagging behind competitors and missing out on the next big things. One of the executives who anonymously complained about Pichai's leadership style claimed he was thorough in decision-making and mostly made the right calls; however, he was so slow at it and wished he could do it a bit further to ensure the company gained a competitive edge over its competitors. The executive further claimed the CEO deliberately slowed the decision-making process to mask his intention to reject the idea since he thought it was risky (Wakabayashi, 2021).

Accountability Challenge

The distributed leadership style shares the responsibility of leading among different people in an organization. The division of responsibility makes it hard to determine who to hold accountable if anything goes wrong. Contrary to distributed leadership, other leadership styles have an individual leader whom the company or external auditors can hold accountable since the bus stops at them. However, in distributed leadership, it is easy for blame to be shifted from one person to the other without any specific leader to hold accountable (Miller, 2018).

Risk of Feeling Left out

In a management scenario where there are many leaders, it is common for them to want to air their voices out during decision-making. However, the company cannot execute everyone's ideas. Consequently, some voices are prone to being unheard severely. This scenario reduces their confidence since they feel left out. In the long run, those employees opt to exit the company and work elsewhere where they do not feel left out (Miller, 2018). This scenario is less likely to happen if the individual is not a leader. The leadership role makes them bound to feel entitled to have their voice in the decision-making process. For instance, Google recorded a mass exit of 36 vice presidents out of the 400 barely six years after Pichai took over (Aten, 2021).

The high employee turnover in Google has several disadvantages. The company incurs unnecessary recruitment costs that could have been avoided and hence denting its budget. Furthermore, the company keeps losing expertise to other companies. Also, the new replacements will take time to adjust to the company's way of doing things.

Leadership Style Recommendation

The current distributed leadership style can be improved by incorporating transformational leadership. A transformational leadership style is a leadership approach that focuses on working towards a future vision to bring change. In transformational leadership, the leader

comes up with a vision they believe in and focus on motivating everyone in the team to work on wording it. The leadership style is future-oriented and seeks to work towards a better tomorrow. The leader encourages a growth mindset among individual members of the team and encourages them to achieve the idealized vision. Furthermore, transformational leadership encourages innovation (Cherry, 2022).

Why transformational leadership?

Transformational leadership will effectively solve the flaws identified earlier by the current leadership in Google. The leadership approach will steer the company on a long-term growth path. The level of satisfaction increases across different stakeholders, including employees, customers, investors, and leaders (“Transformational Leadership”, 2022). Some of the benefits the transformational leadership style will yield in Google include; calculated risk-taking, increased levels of innovation, inclusivity among all employees, improved accountability, a clear vision that acts as a driving force, and faster decision making.

Calculated risk-taking

Transformational leadership will encourage Google employees to take risks. The current leadership style is quite risk averse and makes the company lose a competitive advantage in its industry. On the other hand, transformational leadership encourages calculated risks hence protecting the company from the previous incident whereby Google was engaging in very risky bets. Failure to take risks in the technological industry stagnates growth and makes the company’s products irrelevant and obsolete in the long run.

Increased Innovation

Transformational leaders encourage innovation within the team (Cherry, 2022). This leadership style is propelled by a vision for a better tomorrow. In the technology industry in which Google operates, a vision for a better tomorrow is intertwined with an innovative Today to come up with products and services that will make tomorrow better. As a result, a tech company has to

be innovative for it to grow. The current leadership style, distributed leadership, discourages innovation through its slow decision-making processes. Employees feel discouraged in presenting their innovative ideas since they will take a long time to be assessed and eventually rejected. However, transformational leadership solves that challenge by ensuring people have the motivation to be innovative since innovation is necessary to achieve the set vision.

Improved Inclusion

As transformative leaders engage their followers individually to encourage them to work hard towards the vision, the employees no longer feel left out, as was the case with distributed leadership. In distributed leadership, employees were bound to leave the company since they felt their voices were barely heard. The high turnover will be in Google will reduce once the employees feel inspired by the vision. They will want to be part of the vision to make Google better. Employees prefer to work where they feel valued, as is the case with transformational leadership (Cherry, 2022).

Better accountability

In transformational leadership, the bus stops at the leader. This leadership style improves accountability. Since the leaders have the primary responsibility, it is easier to determine who is accountable for a certain occurrence. Additionally, the responsibility ensures the leader is keen on translating the vision to the followers and encouraging them that it is doable by helping them do it.

Faster decision making

The limited number of decision-makers in the company will ensure the company does not have a decision-making process that keeps stalling. The previous leadership style was prone to counter-arguments that made it slow to make even the slightest decisions in the company. On the other hand, transformational leadership has a few decision-makers who steer the company

hence reducing the bureaucracy that was there in the distributed leadership style that Google is currently using.

A clear vision

A transformational leadership style entails a clear vision of what the company intends to be in the near future, short term, and also in long term. This vision acts as a driving force that the transformational leader uses to motivate the employee toward working efficiently and coming up with innovative ideas (Cherry, 2022). In conclusion, the employees keep on desiring and working for a better future under transformational leadership.

Interdepartmental Communication Plan

An effective inter-departmental communication plan is one that is able to answer the questions; who is the message being sent to? Why is the message being sent? What does the message consist of? And how to send the message? (Herman, 2020).

Who are the sender and the receiver?

Whenever an employee communicates internally, they need to clearly indicate whom they are addressing and who the sender is. When the recipient of the information is unclear, the message tends to be ambiguous. Therefore, the sender should clearly state to whom they are sending the information. The recipient can be an individual or a department. In an instant, they are using an email to communicate, and they should also indicate whom they have copied in the email. This clarity will prevent confusion and time wastage.

Why is the message being sent?

Whenever an employee is communicating with another within the company, they should ensure they have clear objectives. The objectives will guide them to understand and indicate why they are communicating. Lack of an objective when communicating will likely lead to disorganized communication that is cluttered and includes unnecessary information.

What does the message consist of?

The employees should ensure the message that they are communicating is structured in a professional manner. It should also avoid jargons that might make it hard for the recipients to understand. The message should also be direct and makes use of etiquette in the language. Longer than necessary, messages are bound to be ignored since they are tedious for the recipient. For instance, unnecessarily long emails or conference meetings.

How to send the message?

Finally, the channels that the employees should use to communicate are crucial in ensuring the message is sent in a timely and convenient manner. For instance, sending an email to another employee for an urgent communication might be slow compared to communicating using a phone call. Additionally, a message that can be communicated through email does not need a conference meeting. Therefore, leaders and employees should choose the platform of communication appropriately.

Internal Communication in Google

Effective communication is a crucial element of any organization's operations. Employees rely on effective internal communication with each other across different employees to ensure the organization's information management is useful. Furthermore, leadership, regardless of the style, requires effective communication among the leaders and team members to ensure it successfully steers the company in the right direction. For communication to be effective in a company's operations, it has to be done in a strategic manner and with the use of proper channels. Channels that companies use for communication have been changing as technology changes which also requires adjustments to the strategy.

Google's management recognizes the importance of an effective communication strategy and the use of modern channels to communicate. As a result, it has been adjusting its internal communication strategies to incorporate evolving technologies. Being a tech giant, Google Inc.

has the privilege of understanding and effectively using modern technology to improve its communication. Unlike other companies, Google did not require the Covid-19 pandemic as a wake-up call to learn the importance of using modern communication channels.

Google's internal communication strategy makes use of various channels, including traditional and modern methods. Google's management encourages peer communication as a way of improving creativity and information management. As a result, Google has frequently encouraged its employees to use lunch tables and water breaks as a platform for communication (Taneja, 2021). The internal communication in Google also relies on other conventional methods like memos. Memos play an important role in ensuring leaders pass specific messages to several employees at a go.

As technology has evolved, Google Inc. has incorporated the use of modern communication channels like email (Wickre, 2017). Being the founders of Gmail, the company began using emailing services way before other companies. In 2017, Google released a product that was meant to revolutionize conference meetings. Google Inc. released Google Meet (Perez, 2017). Google Meet is an online conferencing platform that enables different people to meet without having to meet physically.

Recently, Google has been transitioning from the conventional brick-and-mortar employment system to remote employment. The company has started hiring more employees to work remotely. This change of structure has created the necessity for a solid inter-departmental communication strategy. As part of improving the communication strategy and channels, Google issues their employees with gadgets to work with.

Google Inc. has also incorporated the use of information management systems as a channel of communication across different departments. One department might require information from the other. For instance, the customer care department might need the pricing information of a new product. Using other communication platforms like emails and phone calls can be slow in such instances. The information management systems have led to the centralization of

information across different platforms. Therefore, employees from one department can easily access information from another department with the use of the system on their computers. Customer Relationships Management (CRM) is an example of an information management system. The system stores information about the company's customers. This information can be used by the marketing department to help them understand the consumers' consumption patterns and how it can help them market better. Additionally, the research and development department can also use the information to determine how they can improve the product designs to meet customer satisfaction.

Communication Recommendations

Google Inc. has been implementing modern-day technology in its internal communication. This is credited to the efficient leadership and the nature of business in Google. Google is a tech giant hence the capability to employ technology in its communication. However, being the inventor of some of the platforms that companies currently use to communicate, Google limits itself to its products only. They desist from using products from their competitors. By choosing to stick to its products only, Google subjects itself to a risk of stalled internal communication in an instance its platforms have a downtime. Therefore, Google should incorporate using other platforms besides theirs. This will ensure that the company can communicate efficiently whenever their platforms have downtime.

Conclusion

Since the conception of Google, it has gone through several leadership phases. The leadership styles which have been primarily influenced by the founders have played a huge role in shaping the current Google. The founders started by implementing the distributed leadership style. The different flaws of the distributed leadership style coupled with the nature of the business made it appropriate to recommend the transformational leadership style. Transformational leadership style has several advantages that can propel Google forward by increasing productivity and

creating a suitable business environment for the employees. Additionally, other recommendations entailing the different strategies of enhancing communication have been highlighted.

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