Google: Transforming Business through People

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The Global 2000 Ranking of the world`s largest companies illustrates the significant changes that has occurred since the early years of the 21st century. Among the top 3 companies of 2003 Forbes Ranking, only one remains in the top 25 list, while the others have slipped below the top 50 ranking. Three companies making entrant in the top 10 ranking are the technology based company. Alphabet Inc. the parent company of Google which holds the 7th position with a market value of $1,340.53 (May, 2023, Forbes). Established in 2015 Alphabet Inc. Became a parent company to Google and its subsidiaries. One of the main purpose behind the strategic move was to foster a more focussed approach and empower different subsidiaries.

The phenomenal rise of Google was initially evident when Google stock price booked $800 for the first time in New York Stock exchange. The success of such a young company (incepted in August, 1998) primarily functioning as a technical service provider and search engine was quiet astonishing. Among the various factors contributing to its success the transformational role of People Analytics in revolutionizing HR practises stands out as very significant.

Google achieved its success through the people practices transformation using People Analytics. Phenomenal changes in the orientation of the Human Resource Department started with Google changing the name of the department to "People Operations."

Laszlo Bock, Vice President and HR Leader demanded the data based decision in all HR interventions and initiatives. Google from its foundation has been driven towards data and evidence based decision making.

Google: It's Inception

Google, the American Search engine was founded in the year 1998by Sergey Brin and Larry Page. It was an innovative venture which started as organized Information provider. In   1994 as World Wide Web was started to be used for general public, Brin and Page differentiated their model from other search engine as they created a ranking .Brin and Page incorporated into the search function also the number of links each Web site had; i.e., a Web site with thousands of links would logically be more valuable than one with just a few links, and the search engine thus would place the heavily linked site higher on a list of possibilities. The business exploded as "*to Google*" became the trend and by 2011 Google was   handling 2

billion searches per day. Google has increased its business and by 2015 it again consolidated its business under Alphabet Inc.in 2015 and different business units were made of You Tune ,Android etc. for giving them greater autonomy and empowering them to respond to dynamic business environment.

The Google vision statement

"*to provide access to the world's information in one click.*"

The Google Mission statement:

"*to organize the world's information and make it universally accessible and useful*"

To accommodate the infinite scope of the mission and the vision of the Google, **people** has always been the core of Google's strategies. Human Resource Department has played the key role on hiring training, retaining and maintain the culture where talent has thrived and fulfilled the demands.

From Human Resource Department to People Operation Department

As Google business grew it was clear that it was through people Google could build and sustain its business. Google was always futuristic in its Human Resource Practise. It created the global footprint in a very dynamic environment by constantly improvising and innovating its products and services and to achieve this its workforce had to be young in its spirit happy and proactive. It also used the Internal Growth Strategy to motivate their employees to aspire for high positions. Thus, it attracted the best of the candidates through attractive benefit packages and had a defined career progression and retained the talent. The benefits that attracted the best of the talents were like : flexible work hours, casual wears in the office ,allowing them to bring their pets ,onsite dental and health check-ups ,free massages, Yoga , free drinks etc. So the employees were relaxed and performed at their best. This all helped Google in attracting and leveraging the best of the talents. The best practices that we see and appreciate in Google is the result of the data based approach towards people decisions that was taken in 2008.

With HR Analytics approach Google completely reinvented HR within the organization. Google had always approached HR giving it the strategic important, However in 2008, it revisited its HR divisions by building its HR decisions based on data and facts. It was at this juncture that it changed the HR Department to People Operations Department emphasizing that

the kind of rigour that they have for the engineering and operations decisions the same kind of orientation should be for the HR related decisions also. The 20th century approach to subjective decision making will not be valid for the 21st century which was more technological based and evidence based decisions. Based on this the HR initiatives taken by Google to bring the change was:

HR Data based Initiatives:

1.*"Project Oxygen: finding the best manager"*

The endeavour to quantify HR started with the game changing project called "*Project Oxygen*" which had the objective of identifying "*What makes the best Manger at Google*". Data was collected and 8 traits were identified and later 2 more were added which were the effective traits. The data proved that rather than superior technical knowledge, periodic one-on-one coaching which included expressing interest in the employee and frequent personalized feedback ranked as the No. 1 key to being a successful leader. This enhanced the performance and productivity of the teams

2. Google "Pilab": Google created the lab for measuring the impact of HR interventions. IT even calculated what kind of reward makes people happy. And the size of the plate which will make people eat healthy food.

3. Retention Algorithm: Google created an algorithm to predict the employee which will be retention problem. This helped them to assess the employees who had the intention to leave and develop the strategy for retaining them.

4. Predictive Modelling: It develops predictive models and forecasted the people related problems before they can occur. It also helped them to prepare and do the workforce scheduling and thus helped them to be better prepared.

5. An effective Hiring Algorithm: Developed and predicted which candidates are better predicted to succeed thus lessening the time to fill on the several vacancies. It also decreased the infant attritions

6. Workplace design drives collaboration: The ergonomics of the organization was designed to enhance collaboration and people working in groups thus increasing the team output and working.

7. People operations does not dictates but convinces with data: people decisions which were earlier more focussed on subjective were now tailored on data and were accurate and impactful.

Challenges

Google as it changed and oriented its human resource practises towards data and developing insights that affects the organization performance. People Analytics became more embedded in the HR Systems in Google before it became famous worldwide. However, much as other organizations tried to copy the model of Google it did not have an effective success ratio as the challenges of other organization were different from Google.

People Operations department in Google faced lot of challenges in people`s acceptance to their actions and decisions. The department had challenge not only in orienting the HR Managers towards data driven function but also making employees accept that decisions. In fact initially all new HR joiners' used to have a sticker marked as "we have charts and graphs to back us" to validate their data based decisions. (Leonardi and Contractor, 2018)

Biasness in data capturing as HR data are many times qualitative and quantitative. The challenge was to have data which was clean as they will be the basis of people decisions. The heuristics adopted many times make the decisions to be tainted.

The adoption of people analytics in Google created the need to have a strong guiding team coalition of people of varied skills .So, the people operation team consisted of Statistician, Sociologist, Psychologist, and Anthropologist apart from people from Human Resource background .Google was one of the precursor in adopting data based HR practises so the lacuna between skills, intention and collaboration for the objective made it to look for resources outside the area.

As every new initiative have its hiccups Google also had it in abundance, however it still had an advantage as it was a young company in relative a new domain which was getting established and the work rules were getting defined. It was a tech based so adoption was easy. As it was said by People Analytics team "The goal is to bring the same level of rigor to people-decisions that we do to engineering decisions"

Conclusion

The success of Google `s people Analytics approach speaks volume as the revenue per employee on an average is $1million. At the end of the year 2022,revenue per employee ratio

was $2,020,689. This business success of Google can be a testimony for organization implementing People Analytics approach.

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Questions:

1. Illustrate the reasons that for Google investing time and resources in People Analytics?
2. Describes the major changes and challenges for Google in opting for the process?
3. Give your opinion as an HR Manager how can you recreate the People Analytics model of Google in other organization,?