

# Why is Google so great?

Google is #1 on this year's list of Fortune's *100 Best Companies to Work For*®



Google, a seven year old internet communications and technology company based in Mountain View California, tops this year's "100 Best Companies to Work For"® list. With over 440 companies applying for spots on this year's ranking of the nation's best employers, what set Google apart? It could be the food - eleven gourmet restaurants on their Mountain View campus that 100 Best list co-author Milton Moskowitz says are incomparable to anything he's ever seen at another company. It could be the special and unique benefits (see below) that include opportunities, to learn, grow, travel, and have wildly zany fun during the workday. It could be the more thoughtful offerings provided to Googlers such as a \$500 take-out meal fund for new parents, opportunities to ask the founders about their vision for the future of the company, or a chance to be involved in significant community service. Yet, it is really no one of these items. Google is the grand sum (and more) of all these unique "parts" that together create an incredible workplace. It is the Google culture that has vaulted this company to the Number 1 position on the 2007 "100 Best Companies to Work For"® list.

## Google Quick Facts

• <b>Industry: Media:</b>	Media: Online Internet Services
• <b>US Employees:</b>	5063
• <b>Training:</b>	100 hours/year
• <b>Voluntary Turnover (FT)</b>	2.6%
• <b>Job Applicants:</b>	472,771
• <b>Headquarters:</b>	Mountain View, CA
• <b>CEO:</b>	Dr. Eric Schmidt
• <b>Founded:</b>	1998
• <b>Ticker Symbol:</b>	GOOG
• <b>Website:</b>	www.google.com

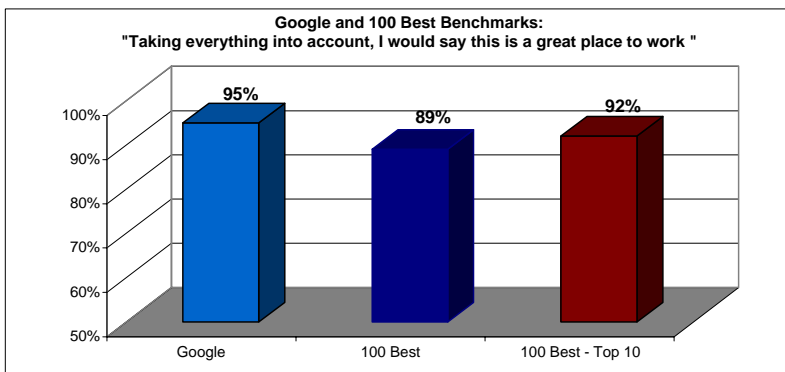
## Google Perks & Benefits

- Up to \$8,000/year in tuition reimbursement
- On-site perks include medical and dental facilities, oil change and bike repair, valet parking, free washers and dryers, and free breakfast, lunch and dinner on a daily basis at 11 gourmet restaurants
- Unlimited sick leave
- 27 days of paid time off after one year of employment
- Global Education Leave program enables employees to take a leave of absence to pursue further education for up to 5 years and \$150,000 in reimbursement.
- Free shuttles equipped with Wi-Fi from locations around the Bay Area to headquarter offices.
- Classes on a variety of subjects from estate planning and home purchasing to foreign language lessons in French, Spanish, Japanese and Mandarin.

"These guys obviously had an idea originally about the search engine that was unique, but beyond that they had an idea at the very start that they were going to create a great workplace" says Moskowitz. "They had so much money - so much money in cash - that some people would think they don't need the imprimatur of a list like ours - they could do anything they wanted - so why try and create a great workplace. It's a difficult thing to do - it takes effort and humility. Yet they did it, they wanted to create a great workplace and they did - that was important to them, beyond simply making a lot of money - how they treat people is important."

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The competition is steep for any company seeking to become one of the Best, and certainly for any company that shows up in the #1 slot. Yet Google chose a great role model to help them create the special culture that has supported their success. While definitely creating and following their own path, leaders at Google also turned to Genentech (#1 on the Best Companies list in 2006) as a source of ideas and wisdom to guide their growth as a company. And they have grown well, with confidence that their unique culture and approach to work life have contributed to the overall success of the organization.



In their Culture Audit (a key component of the Best Companies evaluation process) they state, "There is no hard data that can ever prove that a free lunch and a multicultural, campus-like environment contribute to the organization's success and profit. What can be proven is that Google is growing at an immense pace - retention of employees is high,

attrition is low and revenues are strong (\$6.1B in 2005). People are eager to work at Google and applications to our job openings are exceedingly high (approximately 1,300 resumes a day)."

Google's employees confirm what is reported in the Culture Audit, with 95% of the employees who responded to the employee survey part of the Best Companies evaluation process saying, "Taking everything into account I'd say this is a great place to work." That's an extraordinary sentiment for a fast paced, stressful yet exhilarating work environment. Even people who leave Google to try something different do so reluctantly (SF Chronicle, 1/7/07).

Google's leaders have figured out the formula that works for them by treating people with respect, supporting their creative endeavors, and working hard to adhere to their motto of "Don't be evil". It's not magic, or rocket science or paternalism or entitlement. In some ways it is plain common sense. As they explain in their Culture Audit: "Our employees, who call themselves Googlers, are everything. Google is organized around the ability to attract and leverage the talent of exceptional technologists and business people. We have been lucky to recruit many creative, principled and hard working stars. We hope to recruit many more in the future. As we have from the start, we will reward and treat them well."

Dimension	How it plays out in the workplace	
	<b>Credibility</b> <ul style="list-style-type: none"> <li>• Communications are open and accessible</li> <li>• Competence in coordinating human and material resources</li> <li>• Integrity in carrying out vision with consistency</li> </ul>	T
	<b>Respect</b> <ul style="list-style-type: none"> <li>• Supporting professional development and showing appreciation</li> <li>• Collaboration with employees on relevant decisions</li> <li>• Caring for employees as individuals with personal lives</li> </ul>	R
	<b>Fairness</b> <ul style="list-style-type: none"> <li>• Equity—balanced treatment for all in terms of rewards</li> <li>• Impartiality—absence of favoritism in hiring and promotions</li> <li>• Justice—lack of discrimination and process for appeals</li> </ul>	U
	<b>Pride</b> <ul style="list-style-type: none"> <li>• In personal job, individual contributions</li> <li>• In work produced by one's team or work group</li> <li>• In the organization's products and standing in the community</li> </ul>	S
	<b>Camaraderie</b> <ul style="list-style-type: none"> <li>• Ability to be oneself</li> <li>• Socially friendly and welcoming atmosphere</li> <li>• Sense of "family" or "team"</li> </ul>	T

## Best People Practice® Examples

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Creating a great workplace requires more than a specific set of programs and practices - there is no set of required benefits, resources or perks that works for all. Best Companies develop their own unique cultures in which employees are able to say "I trust the people I work for, have pride in what I do, and enjoy the people I work with."

The following practices reflect a small selection of the programs and practices that Google uses to build its own great workplace. These programs and the specific ways in which they support and build the Google culture are what make them work for this company. Google seeks out brainy, creative, entrepreneurial people to join its ranks and so provides strong support for people's professional growth and development - all of which is consistent with its spoken emphasis on the importance of respecting people. Googlers also like to have a lot of fun during the work-day - to relieve stress, build camaraderie and fuel creative thinking - so there are lots of opportunities to have fun at work as well.

The following examples of Best Practices may inspire you to pursue some creative activities within your own organization. That's exactly what's intended!

"Google is a great company and I am very proud to be a part of it. The perks are extraordinary and this is the most unique working environment I have ever been in. The products, ideas, creative minds that we have continue to amaze and inspire me."  
(employee)

## Best Practices that Build Credibility

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Credibility is built through three interdependent sets of behaviors and attitudes found in the practice of two-way communication, competence and integrity. Effective **communication** invites two-way dialogue. Leaders and managers are clear and comprehensive with the information they share; mechanisms are available to employees that afford them the opportunity to begin conversations about what they might need or want to hear. **Competence** is seen in the skills and behaviors needed for the effective coordination of people and resources, directing employees' work with the right amount of oversight, and clearly articulating and pursuing a vision for the organization as a whole and for individual departments. Management's **integrity** depends on honest and reliable daily actions. Managers strive to be consistent in what they say and do, and promises are kept. Additionally, employees have confidence that their managers run the business ethically.

- **TGIF** is a weekly, company-wide get-together started by Google co-founders, Larry Page and Sergey Brin. While it is used as a time to welcome new employees and for senior leaders to present news about Google and Google-related events that have transpired over the previous week, the highlight of TGIF is the Question and Answer section. This section reflects the leaders' belief that employees should feel comfortable asking even the most senior members

of the management team any question and that the executives should talk with employees as openly as possible. No question is off-limits. Questions from past sessions include "What are Google's growth rate projections?" and "When is Google relocating to Mars?" TGIFs are webcast to Google offices around the globe and archived for those who cannot make the meeting due to time zone or other scheduling challenges.

- **A**t Google, there are many internal e-mail lists dedicated to the discussion of particular ideas, issues and complaints. For example, on the "Google Ideas" website, Googlers regularly submit their thoughts on product improvements or provide suggestions about how to make things better around Google. Their colleagues can then weigh-in by providing their feedback through comments and ratings - from 0 (Dangerous or harmful if implemented) to 5 (Great idea! Make it so). The management team pays very close attention and is responsive to issues that Googlers deem important enough to discuss on one of their internal e-mail lists. Sometimes, the conversations started on one of these e-mail threads have actually become the topic of a larger discussion at a TGIF.
- **A**t the quarterly "Kick-Off" meeting for Google's North American Sales Organization, the Sales Vice President discussed the team's performance against quarterly objectives and announced group stretch goals for the coming quarter. These quarterly meetings are capped off by the Global Sales and Operations Conference, to which Google's entire sales force (as well as any employees who are in the San Francisco Bay Area) is invited to attend. The Conference includes three days of presentations from senior leaders, guest speakers and training workshops. The highlight is the very candid, no-holds-barred Q&A session with Google's entire senior management team.

## **Best Practices that Show Respect**

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Respect is demonstrated through practices that provide professional support to employees, encourage collaboration and allow for expressions of care both in the workplace and outside. **Professional support** is shown to employees through the provision of training opportunities and the resources and equipment necessary to get work done, as well as through the expressions of appreciation for accomplishments and extra effort. **Collaboration** between employees and management requires that leaders and managers genuinely seek and respond to employees' suggestions and ideas, and involve people in the decisions that affect how they get their work done. Managers demonstrate **caring** by providing a safe and healthy working environment, and by showing an interest in people's personal lives. Caring managers are also aware of the impact the work has on employees' personal lives.

- **G**oogle promotes the professional growth and development of its employees through an education reimbursement plan. Googlers can be reimbursed up to \$8000 per calendar year on pre-approved, work-relevant courses that are provided through external training providers or academic institutions. Engineers can also enroll in the MS at Stanford Program, a one year program at Stanford University designed to increase an engineer's knowledge through a master's program in a technical field. The cost of this program is fully covered by Google.

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- **G**oogle offers a Global Education Leave Program for Googlers who wish to take a leave of absence to pursue further education on a full-time basis. The education leave can be up to a maximum of 5 years and the reimbursement may be up to a maximum of \$150,000. The education leave program is a new program that was just announced in 2006 and already has a few employees who are utilizing the program.
- **B**ecause employee suggestions are a key-driver in Google's product development process, Google's products are often first released internally across the company. This strategy allows Googlers to play around with the product and provide feedback and suggestions to the product engineers and managers. Examples of products that have gone through this process include Google News, Gmail, Froogle, Google Local, and Google toolbar.
- **T**he 20% project is a unique program for Google engineers, which encourages them to dedicate 20% of their time on a project outside their typical work responsibilities that would potentially benefit the company. The 20% project encourages continual innovation by allowing engineers to spend time on Google related projects that they wish to pursue. By enabling employees to recharge their creative energies, Google provides an opportunity for employees to move into new areas of work while also broadening their knowledge base.
- **G**oogle understands the stress of bringing home a new baby and that is why they have a take-out food benefit to ease the transition. The take-out benefit allows new parents to be reimbursed for up to \$500 within the first 4 weeks that they are home with the baby. It is a highly used benefit from our employees as 90% of new parents take advantage of this perk.
- **G**oogle offers free gourmet (and often organic) meals, breakfast, lunch and dinner, every day, and they also work on bettering the environment and supporting local farmers or fishermen. The cafés encourage the consumption of organic, healthy food and serve only line-caught fish (rather than farm-raised or wild net-caught). Prior to stepping into the café line, employees are greeted with a healthy suggested meal for that day, along with displays of appropriate food consumption.

## Best Practices that Ensure Fairness



The three principles that support the practice of Fairness in an organization are equity, impartiality and justice. A sense of **equity** is conveyed through balanced treatment of all people in the distribution of intangible and tangible rewards. Manager **impartiality** is displayed through an avoidance of favoritism in hiring and promotions practices, and absence of politicking in the workplace. **Justice** is seen as a lack of discrimination based on people's personal characteristics, and the presence and utilization of a fair process for appeals.

- **G**oogle's compensation philosophy is to deliver pay in ways that support its primary business objectives, which includes supporting the company's culture of innovation and performance and attracting and retaining the world's best talent. To achieve these objectives, Google has developed its compensation programs on a pay-for-performance platform intended to provide "start-up-like" reward opportunities for strong performance as well as downside exposure with underperformance. This philosophy applies to all Google employees, with increas-

ing proportions of "leveraged" or "at-risk" compensation being tied to increasing levels of leadership and responsibility.

- **T**hroughout the year, Google partners with several organizations and conducts various recruiting events in order to bring together a workforce that reflects its globally diverse audience. It has worked with Richard Tapia Celebration of Diversity in Computing, the Grace Hopper Conference, and the EntryPoint! program for students with disabilities, among others. The foundation of these recruiting efforts is a detailed understanding of where the talent pools are located - establishing research and managing to metrics are an integral part of these recruiting efforts. Today for example, Google's U.S. workforce is 32% female, higher than many other technology companies.
- **T**he Founders' Award, Google's most significant and high profile recognition program, is designed to give extraordinary rewards for extraordinary team accomplishments. While there's no single yardstick for measuring achievement, a general rule of thumb is that the team being rewarded has accomplished something that created tremendous value for Google. The awards pay out in the form of Google Stock Units (GSUs) that vest over time. Team members receive awards based on their level of involvement and contribution, and the largest awards to individuals can reach several million dollars. In 2005, Google awarded approximately \$45 million in restricted stock to employees working on 11 different projects. Like a small start-up, Google continues to provide substantial upside to our employees based on accomplishments. But unlike a start-up, it provides a platform and an opportunity to make those accomplishments much more likely to occur.
- **D**iversity at Google is not just a "HR Program" focused on recruiting its own workforce. Instead, it is something that runs throughout all levels of the organization, and extends outward to developing a pipeline to encourage girls and underrepresented minorities to pursue studies in math, science and engineering. To this end, Google supports several organizations - Sally Ride Science Festival, FIRST Robotics, Expanding Your Horizons, TechBridge, Citizen Schools - that provide after school programs, mentoring relationships, competitions, and technical skill workshops for girls and underrepresented minorities who might not otherwise have been exposed to opportunities in science and technology.

## **Best Practices that Develop Pride**



Managers in great workplaces help to build employees' pride in their work and the work of the company. Employees feel pride in their **personal jobs**, and know that their individual work makes a difference. The work that is produced by their **team** is a cause for pride and is supported through a willingness to give extra. People also feel pride in the **company** as a whole, based on the organization's public reputation and standing in the community.

- **O**ne of the reasons why employees feel proud to work at Google is because its work is not driven by profit as a main priority, but rather by the user and user experience. This priority is illustrated by a story in a Time Magazine article about an incident at Google, in which Larry Page rejected a proposal brought forth by Google engineers that could generate millions in

additional advertising revenue. His reason for doing this was because he did not believe that the modification would enhance the user experience.

- **G**oogle believes in making use of their talent, technology, and other resources to make a larger contribution to the world. As such, Google Inc. donated \$90M to Google.org, which administers Google's philanthropic activities. This money will be used to focus on efforts towards alleviating global poverty, and addressing energy and environmental concerns. The Google Foundation has made initial commitments to programs such as the Acumen Fund, a non-profit venture fund that invests in market-based solutions to global poverty, and TechnoServe, which helps budding entrepreneurs turn good business ideas into thriving enterprises.
- **G**ooglers also often put a unique, Googley twist to community involvement. Rather than having people bring a few cans of food for holiday food barrels, volunteer shoppers from all over Google used cash collected to spend a single lunch hour at Costco, racing to load shopping carts and fill a huge semi-tractor trailer for the Food Bank. The total contribution from Google to the Second Harvest Food Bank ended up being over \$50,000.

## **Best Practices that Support Camaraderie**

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Practices within the Camaraderie dimension encompass three aspects of employees' relationships with their co-workers. Employees experience camaraderie in the workplace through the level of **intimacy** they find, or the ability they have to be themselves. **Hospitable** workplaces are friendly and welcoming to all employees, and encourage people to have fun during the work day. A strong sense of **community** develops in organizations where people feel that they are part of a team or a family, that they cooperate within and across departments, and that people are connected by common values and purpose.

- **O**ne of the qualities that Google looks for and measures in potential Googlers is their "Googleyness" - is the candidate able to work effectively in a flat organization and in small teams and respond to a fast-paced rapidly changing environment. Does he/she seem well-rounded and bring unique interests and talents to innovate in the work he/she does, and possess enthusiasm for the challenge of making the world a better place? This "Googley" factor plays an important role when candidates are evaluated during the hiring process.
- **G**oogle encourages quarterly department off-sites in order for teams to bond together while having fun. This is a great way for Googlers to meet others in the department as well as to learn more about co-workers. There's a (true) urban legend that a couple of guys celebrated a new product accomplishment by shaving their heads in the Google men's room.
- **T**he décor of Google offices encourages much fun. Lava lamps, bicycles, large rubber exercise balls, couches, dogs, press clippings from around the world, projection screens displaying search queries or daily Google events fill the halls and offices. According to an article in the Seattle Times entitled "Big Google Ideas Generated Here" (06/24/06): "If the Googleplex exploded, the employees would have a hard time digging themselves out of a shower of pi-rate flags, action figures, t-shirts with funny sayings, leis, ironic signs, a fringed leather vest, thousands of game pieces, and giant Lego people."

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- **O**ne of Google's fun celebrations held in 2005 included a "Jetaway on a Google Holiday," event in which employees enjoyed the perks of many world cultures, including the London club scene, Brazilian samba beats, and Tokyo karaoke, all from the piers of San Francisco. Cotton candy, a Ferris wheel, and funnel cake were some of the highlights during Google's summer picnic at the Mountain View headquarters, while the Halloween festivities featured people dressed as flowers, ghosts, pirates, computer systems, and girl scouts, all competing for prizes.

### **Additional Resources**

- Join us for the 2007 **Great Place to Work® Conference**, April 18-20<sup>th</sup> in Los Angeles, California, to learn more about how to create great workplaces directly from Best Companies leaders. For more information, visit [www.greatplacetowork-conference.com](http://www.greatplacetowork-conference.com)
- **Nominate your company** to be on Best Companies lists in North America, Europe, Latin America and Asia by visiting <http://www.greatplacetowork.com/best/index.php>.
- **Consulting Services:** We believe passionately that any organization of any size or industry can become a great place to work®. Great Place to Work® Institute, Inc. consulting services are based on 25 years of researching Best Companies, and our in-depth knowledge of how companies transform can help you achieve higher levels of productivity and profit. Through our assessment, action planning, and advisory services, we can help you to measure, benchmark, and positively impact employees' experiences of your organization.



**Great Place to Work® Institute, Inc.** has conducted pioneering research on the characteristics of great workplaces for over 25 years. We believe all companies can become great places to work, and our mission is to help them succeed. Our Great Place to Work® Model® is recognized as the standard for assessing great workplaces. In 27 countries around the world, we are proud to:

- **Recognize the Best Companies** for their achievements through our international Best Companies lists. In the U.S., these lists include Fortune's *100 Best Companies to Work For®*, as well as the "Best Small & Medium Companies to Work for in America" published in collaboration with SHRM.
- **Help companies create and sustain great workplace cultures** through our consulting services. Our data collection tools (employee survey, focus groups, 360° professional development tool) educational workshops and training programs, action planning system, and strategic advising services all support the transformation process within any organization. The Institute's unique access to Best Companies' data allows us to offer unparalleled benchmarking opportunities, best practice information, and transformation insight to our consulting clients.
- **Share resources, best practices, and Institute research** through our education services. These include peer networking groups, workshops, conferences, and publications which enable organization leaders to learn directly from each other, as well as benefit from our wealth of knowledge and lessons learned from the Best Companies and our clients.

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