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## **Environmental Characteristic of the Creative Corporation :Focused on the Case of Google**

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**Abstract:** In today's knowledge-based societies enabling the innovation by creative ideas to lead to the high value-added creation, the importance of the business environments facilitating creative productions of the human beings has been constantly being expanded. In this setting, the world's major companies are focused on creating business strategies and work spaces to maximize the creativity. This study will review the examples of leading foreign companies and, through this, extract the directions for creating physical environments and non-physical environments relating to the composition of the creative business environments of the domestic companies which are still lacking in this regard.

**Keywords:** creative companies; business environments; creativity

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### **1. Introduction**

Societies have been rapidly proceeding to the knowledge-intensive new economic order escaping from the mass production and consumption-oriented capitalist technology system and the Fordism pursuing the dominant way of work organization. This means that the 21st century is at the transition to the knowledge-based societies valuing the intangible assets like knowledge and information while the 20th century was the era of industrialization. As the factors for economic growth alter with the transition to the knowledge-based societies, creation of innovation through the input of intangible factors such as ideas, knowledge, etc. is becoming emphasized as the driving force for economic growth leaving behind the labors and capitals which was the traditional factors for economic growth. Knowledge-based societies are the era in which a few creative talents provide astronomical profits to enable millions of

people to enjoy the economic benefits and human ‘creativity’ is becoming the core competitiveness of companies and cities.

The transition to the knowledge-based societies brought about big changes in the corporate paradigm; business 3.0 currently represented by Google, Apple, Microsoft, etc. has been taking ‘creativity and innovation’ as the core topic. As the digital economies and knowledge societies have begun to grow in earnest since the mid-1990s, a new management paradigm which is different in the dimension from the previous one has emerged. Creativity had been valued in business management and management techniques to create a new culture have emerged. In order to keep pace with the business 3.0 era of creation and innovation, it is the time that creative transformation and innovation are needed in the overall corporate business strategies and the environments.

Currently, leading companies in the world are growing with the experiences of many trial and errors in the process of diagnosis & research of the organizational creativity and developments & application of the optimized creative management strategies and business environments. Especially, knowledge-based enterprises have been conducting central roles in the efforts to induce the developments of the innovative technologies and products by fostering the environments to promote the creative activities of employees through creation of new business environments. However, domestic companies still do not sufficiently recognize the importance of the creative business environments due to the lack of the fundamental researches on the creative management and space environments. Accordingly, the study aims to extract the implications for creating creative business environments for domestic companies.

The study conducted the analysis focusing on Google as an example of the companies which are currently leading the high-tech industries and markets under the creative environments. Google has been constantly ranked at the highest in the company rankings related to 'innovative companies', ‘best companies to work’ and ‘creative companies’; and providing creative business strategies and fostering the corresponding environments in the era of the knowledge-based societies.

**Table 1.** The World’s Most Innovative Companies by Businessweek & BCG 2008-2012.

	2008	2009	2010	2011	2012
1	Apple	Apple	Apple	Apple	Apple
2	Google	Google	Google	Google	Google
3	Toyota Motor	Toyota Motor	Microsoft	3M	Samsung
4	General Electric	Microsoft	IBM	Samsung	Microsoft
5	Microsoft	Nintendo	Toyota Motor	General Electric	Facebook
6	Tata Group	IBM	Amazon	Microsoft	IBM
7	Nintendo	HP	LG Electronics	Toyota Motor	Sony
8	Procter & Gamble	RIM	BYD	Procter & Gamble	Haier
9	Sony	NOKIA	General Electric	IBM	Amazon
10	Nokia	Wal-Mart	Sony	Amazon	Hyundai

## 2. Results and Discussion

In this section, the analysis will be conducted with the separation between physical environments and non-physical environments in Google as an example of the creative company. The analysis will proceed

with the separation between the social & institutional environments as the non-physical environments which become factors to induce the innovation of Google and the spatial environments of Google plex which is the representative business space as a realistic physical environment creating diverse stimuli and information exchanges between people.

**Figure 1.** Google's work environment with open atmosphere ([www.thesquarefoot.com/](http://www.thesquarefoot.com/)).



### *2.1. System environments for ensuring diversities and rigorous performance evaluation system*

The corporate culture of Google is pursuing the one to ensure creativity & innovation, horizontal communication and diversities. System and environments to ensure the autonomy and diversities of employees are prepared and the representative example is the 20% project enabling employees to test their creativity and innovation abilities. It is the system that supports employees to use 20% of their working hours in the works that they are most interested in and want to do the most. It equally supports the personal interests as well as business areas, which is the management policy that has been maintained from the earlier period of Google and has been acting as a corporate culture to promote creativity. There is a rigorous performance evaluation system behind the open and autonomous atmosphere of Google. Google has a system for evaluating works by the associated performance and operate a system for evaluation among employees in which every employee is supposed to be evaluated by more than 5 colleagues every quarter. The evaluation results are recorded into data files and affect the individual's promotion and salary; age and working years within the company are not subject to the considerations. Employees will keep tensions over such a strict evaluation system with autonomous culture.

### *2.2. Physical environments to induce creative communication cooperation*

In the whole site of the Google plex, spaces include the main street connecting the four buildings and are extended to the boundary of each building around the outside spaces. Google refers to the internal spaces extending to the 4 buildings as 'building blocks to be shared', which are being used as the place for the social interactions between employees. It generates creative synergies by creating a place for

social activities, collaboration and sharing between people of various levels and sectors; especially, Google's dining area represented by Charlie's Cafe serves as a space of communication focal point within the company. Actually, corporate performance or information sharing and delivery process including TGIF are underway among all employees in this space while enjoying foods freely regardless of sector or position. Work spaces and common spaces of the inside are open spaces without walls; in principle, every public space and the deployed props are available for free use without any restriction. Basically, the relevant size of the working space is provided to each team; the openness and transparency are emphasized so autonomous atmospheres are formed. Combined with the overall plan having the Google campus features, it is equipped with the environments where employees within Google can share information with each other and proceed with works anywhere within the buildings or Google campus. Corridors within the buildings and the main circulation path as public areas form a natural and autonomous environment with an emphasis on openness and transparency through the organic connection to the work areas. Lounges and bars promoting informal and casual exchanges are located along the main circulation path, around which work spaces are provided for individuals and teams.

**Figure 2.** Masterplan: Site Plan Landscape Scope(Googleplex : A New Campus Community,2004)



### 3. Conclusions

In the knowledge-based societies in which human 'creativity' has been emerged as the core of the societies, the study selected Google as an example of the leading companies in the creative knowledge industries and examined the creative corporate environments. First, in terms of the non-physical environments, there are system environments ensuring 'diversities' and a performance evaluation system maintaining tensions in the backgrounds. In addition, in terms of the physical environments, it is shown that it created the work spaces with open and liberal atmospheres, thereby inducing 'communication and cooperation' of various levels and sectors'. Through the case study, the study extracted some

implications on the importance of creating the realistically creative work space as well as innovative environments in social & institutional aspects which should be considered by the domestic companies when trying to foster creative work environments in the future. It is necessary to suggest the directions for fostering the work environments facilitating creativity through the case studies on creative companies in diverse areas and sectors in the future studies.

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### **Conflict of Interest**

The authors declare no conflict of interest.

### **References and Notes**

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