"INCREASE PRODUCTION FROM 2 MESSAGING APPS A YEAR TO 4!" —

Google CEO Sundar Pichai says productivity is "not where it needs to be"

Pichai changes Google's promotion incentives, wants "more customer focus."

RON AMADEO - 8/1/2022, 6:37 PM



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Google CEO Sundar Pichai apparently thinks Google has room to be a more focused company. CNBC reports the executive recently called an all-hands meeting and—after saying the company is "not currently" planning layoffs—said he wants a more efficient Google.

"There are real concerns that our productivity as a whole is not where it needs to be for the headcount we have," the report quotes Pichai as saying. The CEO added that he wants to "create a culture that is more mission-focused, more focused on our products, more customer focused. We should think about how we can minimize distractions and really raise the bar on both product excellence and productivity."

The call for more focus came after Google's Q2 earnings report last week, where Google's parent

company, Alphabet, missed revenue expectations amid what CFO Ruth Porat said was "uncertainty in the global economic environment." Last month, Pichai also announced plans to slow hiring for the rest of the year. Google also revamped its performance evaluation



process this year with the goal of "creating an easier path to promotions" and "busting bureaucracy." A 2021 New York Times exposé on Pichai's management style described Google as a declining, indecisive company in "a paralyzing bureaucracy."

In the meeting, Pichai announced a "Simplicity Sprint" program to get feedback from employees. The program includes a survey with questions like, "What would help you work with greater clarity and efficiency to serve our users and customers? Where should we remove speed bumps to get to better results faster? How do we eliminate waste and stay entrepreneurial and focused as we grow?"

From the outside, a major source of Google's inefficiency seems to be an endless cycle of product churn and duplication, with the worst example being the 10-plus messaging apps Google has produced since Pichai took over in 2015. Our best insight into Google



office politics comes from a series of previously internal-only Google comics by Manu Cornet, which frequently describe launching a new product at Google as the easiest way to get promoted, compared to maintaining and improving existing products. Pichai's hands-off, "let a thousand flowers bloom" management style means these weaker areas of Google's product line are ripe for disruption by these promotion-boosting projects that don't have a long-term plan. With no top-down leadership laying out a path for these less established products, Google ends up prioritizing office politics over competitiveness.

It's hard to know exactly what Pichai's overarching goals are. You *could* line up the "two of everything" narrative with many of the keywords used to describe Pichai's recent changes, but Pichai's vague "efficiency" statements make it hard to put a finger on what is changing.

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