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When Google Meets Xiaomi: Comparative Case Study in Western and Eastern Corporate Management

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ABSTRACT

Google Inc. of the West and Xiaomi Inc. of the East are recognized as 'flat organizations'. They exercise 'flat management' in their corporate culture, wherein mid-level management is abridged, leaving the corporate structure less-bureaucratic, top-down-and-less-hierarchical, and more laissez-faire. Using the Confucian criteria of Wu Yu, namely morality (or, virtue), intellectual (or, wisdom), physical ability (or, sportsmanship), groupism (or, cooperation), and aesthetics (or, elegance), this paper assesses managerial philosophy and corporate practice of Google and Xiaomi. It is found that under flat management, although each company nevertheless reveals its corporate idiosyncrasy, they achieve business success and sustainability through adopting small-team orientation, vision of integrating innovation with business, effective communication, work liberty and flexibility, working with best talents, and cultivating collegiate workplace, of which these administrative components may suggest new managerial standards to modern corporate management.

INTRODUCTION

Nowadays, who doesn't know 'Google'? When one hears a question about something without knowing the answer, the most frequent phrase one would refer to is: *why don't you 'google' it?* Google Inc., one of the multinational computing and technology titans in the world, is increasingly renowned for its laissez-faire corporate management and bounteous company benefits. A 2014 survey, jointly undertaken by Universum and The Wall Street Journal (at <http://read.universumtop100.com/>), among college undergraduates, MBA students and career professionals, ranks Google as the Number-One employer in America in 2013 where these individuals would like to work. Fortune Magazine (2014, at <http://fortune.com/best-companies/>) also ranks Google Number-One of the 100 best companies to work for in 2013 and 2014. So, why are young talents and professionals attracted to Google? How is Google different from other companies? As stated in Alsop (2008), college students see Google as a rapidly-growing tech-pioneering company. From its cool corporate image to its unconventional office environment -- which is energetic, liberal, and multicultural -- Google upholds its philosophy of valuing *ability over experience* (i.e. de-emphasizing the seniority-based standard) and deprioritizes formal education to be all-embracing and non-hierarchical, visionary and revolutionary (see Worstall, 2013). CBS News calls Google the *Whimsical Idea Factory*, where employees are encouraged to be creative and self-developed, and to cultivate the work-life balance: a collegiate lifestyle which promotes the blended enjoyment of work and play (see Blakely, 2008).

Beijing Xiaomi Technology Co., Ltd., known as Xiaomi Inc. or Xiaomi, although relatively new and not well known to the West, is a fast-growing technology company headquartered in Beijing, China. Xiaomi is known for pioneering mobile phone operating systems through Internet

services, and designing and developing consumer electronics. Its startup founder and Chief Executive Officer (CEO), Jun Lei, aspires to be “*the Steve Jobs of China*”. He carefully cultivates the image of Jobs, even in his attire, by wearing jeans and black shirts, and is ambitious in creating his tech-dominion – eventually into one of the World’s Top 500 Best Companies (see Venture Data, 2012, at <http://www.venturedata.org/?i447901> *The-millet-Technology-Lei-Jun-500-of-the-world-to-do-a-fan-of-the-company*). Some Western media (e.g. The New York Times, 2013 and Motherboard, 2012) ironically, have nicknamed Xiaomi the “*Apple of the East*” (Barboza, 2013; Estes, 2012). Although its current smartphone market share (around 3%) in China still lags behind those of the Samsung Group (19%) and Apple Inc. (5%), Xiaomi’s goal of strengthening its share in the Chinese market and westernizing business in the U.S. and Europe has been evident and has attracted global human capital who were formerly top employees of Microsoft, Motorola, Google, and other IT companies around the globe (see Shu, 2013).

Flat management, a relatively novel managerial archetype derived from the West, emphasizes a work environment filled with liberty, flexibility, and collegiality. It de-emphasizes organizational hierarchy but innovative nurturing (Kastelle, 2013), as it is observed in the corporate management of both Google and Xiaomi (see Blakely, 2008, Alsop, 2008 and Bao, 2013). Based on the ethical teaching of Confucius, known as *Wu-Yu*, namely *morality/virtue, wisdom/intellectual, physical ability/sportsmanship, groupism/cooperation, and aesthetics/elegance*, this study reflects how flat management is practiced and embedded in both Google’s and Xiaomi’s business. It is newfangled and undocumented elsewhere; it uncovers the managerial similarity and idiosyncrasy of both companies in hopes of providing qualitative analysis to benefit (international) business practitioners who may consider adopting flat management as new managerial standards in their organizations.

THEORETICAL FRAMEWORK

Confucian Philosophical Paradigm – The Criteria of ‘Wu Yu’

Confucian ethics emphasize the value of diligence, loyalty, prudence, and dedication; the enrichment in wisdom, personal sacrifice, and the harmony in society (Rarick, 2007). In practice, these moral standards can be extended and referred to as ‘*Wu Yu*’ (namely, the ‘five ways of life’, or the five living/learning objectives) – ‘*de*’ (morality or virtue), ‘*zhi*’ (intellectual or wisdom), ‘*ti*’ (physical ability or sportsmanship), ‘*qun*’ (groupism or cooperation), and ‘*mei*’ (aesthetics or elegance) (or, in an alternative account: ‘*de*’, ‘*zhi*’, ‘*ti*’, ‘*mei*’, ‘*lao*’ (labor skill or hardworking)). In East Asia, these five constituents are commonly the foundation of education; in many institutions, they are often used to promote both the individual’s self-refinement and the righteous/harmonious society (e.g. the application examples can be found in the *mission statement* of Chinese Culture University (at <http://www.pccu.edu.tw/intro/intro03.asp> in Chinese language), Taiwan; the *primary educational objectives* of Hong Kong Education Commission (at http://www.e-c.edu.hk/tc/online/on4_1st1.html in Chinese language), Hong Kong; the *goal of comprehensive development in child welfare* of Shaanxi Province Yan’an City Civil Affairs Bureau (at <http://yanan.mca.gov.cn/article/jcxx/201206/20120600320178.shtml> in Chinese language), China. Overall, the Confucian criteria of ‘*Wu Yu*’ can be delineated as follows (Lee, 2013).

Morality (or, virtue)

Confucius promotes *five virtues* – ‘*ren*’ (benevolence), ‘*yi*’ (righteousness), ‘*li*’ (ritual/propriety), ‘*zhi*’ (wisdom), and ‘*xin*’ (trustworthiness) (Rarick, 2007). They are the greatest Confucian philosophical principles which guide an individual to proper behavior as they resound in the Confucius teaching of *integrity* and *humaneness*. According to Confucius, morality (or, virtue) is established on the keystone of *righteousness* and *humaneness* through which one’s behavior is assumed to be virtuous and philanthropic, and is to be maintained in harmonious relationships with others (Brooks, 1998; Ip, 2009). Furthermore, Confucius emphasized such practices combined with one’s conscience to achieve integrity and wholeness. The Confucian assertion is that one should be ethical at all times, to do morally right things and to admonish any immoral situations.

Intellectual (or, wisdom)

Confucian wisdom (or, intellectual) is built on one’s consistent learning, self-development, and self-reflection. Confucius commented on the importance of revering others and relentlessly learning as one ‘hearing the *dao* (implying ‘knowledge’) in the morning; could die in the evening’ without feeling repentant. He avowed the value of one being able to learn from the strengths and merits of others to improve oneself as ‘seeing the gentleman then following his moral behavior; seeing the vulgar then being self-reflected [so as not to be discourteous]’. As Confucius also forewarned his disciples, ‘learning without thought is ineffective and worthless; thought without learning is perilous’ (Brooks, 1998).

Wisdom can be formally nurtured through education and/or by gaining experiences through age (Rarick, 2007). The purpose of education in Confucianism is to start with refining one’s personality and quality, and is ultimately completed by building a harmonious society and achieving the ideality of ‘one-world’ (i.e. all people come as one).

Physical ability (or, sportsmanship)

Physical ability (or, sportsmanship) symbolizes the Confucian spirits of *courage*, *toughness*, *flexibility*, and *endurance*. Physical ability implies a person who possesses labor strength (i.e. stamina) to internally sustain self-fitness and externally carry out assigned duties. Sportsmanship, on the other hand, underpins one’s attitude of being steadfast. It greatly values group effort and team spirit. Both physical strength and sportsmanship uphold Confucian *loyalty* with which individuals are reverent and faithful to their governors and associates. As a result, goals can be cooperatively achieved as Confucius suggested ‘the firm, the enduring, the simple, and the unpretentious are near to virtue’ (Brooks, 1998).

Groupism (or, cooperation)

Groupism emphasizes the tenet of ‘in-group’ (i.e. group orientation) values, such as cooperation and teamwork. The communal interests and integrated goals are elemental to the ethical structure of Confucianism (Ip, 2009). As Confucius implied, the attitude of self-favor and self-interest (or, referred to as ‘individualism’) is considered ignorant and indecorous; only would selflessness and individual sacrifice result in and maximize communal benefits. In principle, a collectivistic society should be cultivated through cooperative efforts as well as by self-sacrifice, self-restraint, and the de-emphasis of self-importance (Lin & Huang, 2012; Wong, 2001).

Aesthetics (or, elegance)

Confucian teaching in *ritual/propriety* ratifies the essence of aesthetics (or, elegance). Aesthetics focuses on one's dignity and grace. As stated by Confucius, one can develop and enrich his/her 'sense of beauty' (i.e. aesthetics) through self-refinement and appreciation in art and science as well as through continual practice in humanity. Elegance, on the other hand, is a gesture which reflects one's internal confidence, maturity, and quality. It is normally enhanced by proper manner and attitude. Proper practice of aesthetics (or, elegance) would not only enhance interpersonal/organizational relationships, but would also fortify Confucian *propriety/ritual* which emphasizes one's proper role in society; it values cooperative behavior through revering others and reconciling self-desire with the societal needs (Rarick, 2007). In Confucianism, the government in power should not oppress its people. It should be practiced with aesthetics to promote humaneness and righteousness in that a 'good government' is fostered on the principle of 'the ruler being a ruler, the minister being a minister, the father being a father, and the son being a son' (Lau, 1979).

ANALYTICAL METHOD

Based on the Confucian criteria of 'Wu Yu', to properly study the managing principles and characteristics of Google and Xiaomi, qualitative data are used and retrieved from a collection of published interviews of the organizations' corporate leaders (mainly Larry Page of Google and Jun Lei of Xiaomi), biographic books, and reports and discussions of published news. These data are from actual examples and events that are illustrative rather than relying on the assessment of hypotheses, of which such comparative managerial study revolved around Confucianism is never disclosed in the literature. The majority of interview dialogues are founded in books by Levy (2011), Vise and Malseed (2005), and Hu (2014), with supplementary interview and/or news materials in Taiwan-TVBS Signboard Figure Series (2014, in Chinese language) at <http://www.youtube.com/watch?v=tBCd5tfQWEk>, Levy (2013), Barboza (2013), Worstall (2013), Harvard Business Review (HBR) IdeaCast (2013), at <http://blogs.hbr.org/2013/11/improving-management-at-google/>, Stewart (2013), Shu (2013), Bao (2013, in Chinese language), Su (2013, in Chinese language), and Blodget (2011).

The main inquiry in this study is divided into two parts. In the following section, the corporate demographics and structures of Google and Xiaomi are compared and summarized. Thereafter, the corporate management and executive philosophy of each organization are analyzed under the framework of Confucian *Wu-Yu*, with its linkage to the practice of flat management.

ANALYTICAL FINDINGS AND DISCUSSIONS

Comparative Corporate Summary: Google vs. Xiaomi

Google of the West meets Xiaomi of the East is like *coffee* (West) meets *tea* (East) – although not tasting the same, both of them nevertheless keep people (of the West and of the East) 'awake' (i.e. draw people's attention). To briefly review their corporate structure and peculiarity, Table 1 summarizes the comparative corporate background.

Google Inc. was founded in 1998 by two Ph.D. student fellows, Larry Page and Sergey Brin (both dropped out), from Stanford University in California, U.S. It ('Google') was mistakenly misspelled by Page from 'googol' – a humongous number of 1 with one-hundred '0's (or

‘googolplex’ for an insanely large number), to indicate its huge capacity of data/information search and provision and other related services (Levy, 2011). Its debut and successful operation was made by its Initial Public Offering (IPO) in 2004 and has been publicly held ever since. Among a long list of Google’s capabilities are the company’s core competency including Internet information searches and provision, cloud computing, software design and application, and online advertising technology, notwithstanding its recent venture of *Google X Moon Shots* including *Self-Driving/Driverless Car* (2010), *Google Glass* (a wearable computer; a lens with computing system; 2012), *Project Loon* (balloons transmit broadband Internet to remote areas; 2013) and *Calico* (medical R&D on health and aging; 2013) (McCracken & Grossman, 2013). Google’s business operation is widespread and multinational, including its globalization first outreached to, but later retreated from, the Chinese market between 2005 and 2010, due to the notoriously acknowledged ill-protection of intellectual property, and cyber-security and censorship issues in China (Levy, 2011). In 2013, a close count of 47,700 employees worked for Google, which aggregately generated close to US\$60 billion in revenue.

Contrary to Google, Xiaomi Co., Ltd. is not widely known in the West. Xiaomi was jointly founded by seven individuals led by Jun Lei in 2010 in Beijing, China. Its growth is remarkable in East Asia possessing millions of users who call themselves ‘*Xiaomi fans*’ (Ong, 2012). According to Lei, Xiaomi’s chairman and CEO, who finished his undergraduate engineering degree in China, Xiaomi, pronounced *xiao-mi*, can be interpreted in two ways. It signifies ‘millet’ (i.e. *xiao* as ‘little’; *mi* means ‘rice/grain’), which by the Buddhist philosophy implies *a small grain of rice is as momentous as a mountain – it starts small but achieves big (great)*. Meanwhile, ‘*mi*’ stands for ‘*Mobil Internet*’ and implies ‘*Mission Impossible*’ (Lei and his team strive to make mission impossible possible) (Li, 2011). Xiaomi is currently privately owned but is believed to potentially be stock-held in the foreseeable future thanks to its fast-growing business from the large *fan* (user) size (Barboza, 2013). To increase its business competitiveness to match with primary IT-service/tech giants such as Samsung Group, Apple Inc., and Google Inc., Xiaomi’s corporate core competency includes smartphones and consumer electronics production, application design, and Internet service. Its operational scale is currently regionally-focused in East Asia; however, with its recent appointment of former Google executive, Barra, it is anticipated to be internationalized (westernized) soon (Shu, 2013). Although Xiaomi is only toddler-aged in business, its rapid expansion has capitalized approximate US\$10 billion of revenue by a task force of around 3,000 employees in 2013.

Table 1: Comparative Corporate Summary: Google vs. Xiaomi.

Company	Google Inc. (www.google.com)	Beijing Xiaomi Technology Co., Ltd. (www.xiaomi.com/en)
<i>Founder(s)</i>	Larry Page; Sergey Brin	Jun Lei; Bin Lin; Wanqiang Li; Guangping Zhou; Jiangji Huang; De Liu; Feng Hong
<i>Founding year & headquarters</i>	1998; California, U.S.A.	2010; Beijing, China
<i>Company ownership</i>	Publicly held (IPO in 2004)	Privately owned
<i>Company core competency</i>	Search, cloud computing, software development, online advertising technologies	Smartphones, apps, consumer electronics, Internet service
<i>Operation scale</i>	Global/Multinational	Regional (East Asia)
<i>Revenue</i>	US\$59.8 billion (2013)	US\$10 billion (2013)
<i>Employees</i>	47,700 (2013)	3,000 (2013)

Flat Management under Confucian Wu Yu: Comparative Analysis of Corporate Management and Executive Philosophy of Google and Xiaomi

Flat management, or flat organization, is a Western-derived management style increasingly being recognized and adopted by firms thanks to the well-known practice by Google Inc. (Blakely, 2008). As a Chinese-based corporation, Xiaomi, like Google, is adopting flat management in its corporation (Bao, 2013), although it operates in an innate conservative East Asian culture that embraces the Confucian environment of hierarchy and morality. Given Xiaomi's key executives, some of whom were former employees of Western companies including Google, one may skeptically assume that the flat management of Xiaomi could be to some extent inspired by and resemble that of Google. To disclose their respective flat-organization characteristics (similarity vs. divergence), strategic corporate management and executive philosophy are analyzed under the Confucian structure – *Wu Yu* in Table 2.

Morality (or, Virtue)

As reflected in Confucian 'morality' (or, virtue), Google's corporate value is established and summarized in a few words: '*Don't be evil*', signifying 'to do the right thing'. As stated by Eustace, Google's director of engineering, '*I look at people here [Google] as missionaries – not mercenaries.*' '*Don't be evil*' is the company's motto which inspires Googlers to work ethically and make Google a *better* company – a tech-leader which is employee-centric, data-driven, and user-empowering. Alternatively, Google also alerts its stakeholders to '*know evil*', which implies its corporate commitment to avoid unethical doing in business, as an example from its market withdrawal from China when it was suppressed to provide only limited information to its customers due to Chinese government's censorship order. To demonstrate Googlers' morality, Page takes his leadership role in philanthropic ventures including Google's corporate sponsorship in flu shots for kids and related medical services, its vow on environmental prevention and green sustainability, and its recent pledge by establishing Global Impact Awards

for non-profit organizations to implement technological R&D on projects like clean water sensors and DNA barcoding.

From a micro aspect, Xiaomi's corporate virtue is to ensure constant product improvement – *to do the right things* by manufacturing products that are worth the price their customers' pay. Targeting the smartphone market and using Apple Inc. as a practical model, Xiaomi tries to push the idea that high-quality hardware can be made in China, despite China's past image of poor-quality manufacturing. Its corporate goal is to produce high-end goods that sell at low and affordable prices to benefit their buyers. On a larger scale, Xiaomi pledges constructive stakeholder management. As endorsed by Lei, internally it empowers its employees by letting them invest in and be partial owners of the company so as to potentially co-share corporate profits. Meanwhile, it encourages employees to take responsibility and work directly with customers. Externally to the customers, Xiaomi follows the principle of *crony management*, wherein its users are Xiaomi's 'friends' and 'fans'. As Lei explained, "what would you do if your friends have problems or need help?" "You would do your best to help them resolve the problems!" On the other hand, Xiaomi, stressing its role as an emerging leader in the computer-tech market, believes that if it could produce high quality products with economical prices, its competitors would follow suit which eventually would make all customers better off.

Intellectual (or, Wisdom)

In Google's corporate realm, employees are encouraged 'to think big!' The so-called *10X mentality* avowed by Page implies the audacity taken by Google in building its tech-empire through projects (such as the *Google X Moon Shots*) which are not even imaginable by many companies. Page is visionary and forward-looking; a common joke of his employees is that he is so 'prophetic' that he "went to the future and came back to tell us [employees] about it." To Page, ten times (i.e. *10X*) better in Google's products and services means business superiority and competitiveness, although for most companies a 10%, not 10 times, product improvement may often be the goal. In his interview, he revealed that since childhood he always wanted to be an inventor – not only to produce products, but also *to change the world* (e.g. Google changes how people think and act), Page urged his employees to think and to dream, to do something different (new), and to look for the next *10X* (Levy, 2013). His co-founder Brin agreed – Google needs to be 'artificially intelligent' – to be smarter than or at least as smart as its users, and to know everything in the fast-changing world – so it could produce satisfactory products and services for its customers.

As affirmed by Marissa Mayer, Google's first female engineer (in 1999) and later one of the key executives and spokespersons over her 13 years of service at Google (currently, she is the president and CEO of *Yahoo!*), '*we're Montessori kids*' (here, 'we' includes Page, Brin, and Mayer herself), who were '*trained and programmed to question authority*'. Montessori, named after the Italian physician Maria Montessori, schools of thought advise individuals to be independent thinkers, to act on instinct, to have freedom of pursuit for what interests them, to constantly ask questions, and to do something which makes sense but not something ordered by authority. In Google's corporate culture, the Montessori mindset prevails as its employees have the freedom to decide what and how they would complete their assignments. As noted by Page and Brin, 'Discipline must come through liberty... We do not consider an individual disciplined only when he has been rendered as artificially silent as a mute and as immovable as a paralytic.'

He is an individual *annihilated*, not *disciplined*. We call an individual disciplined when he is master of himself.” (Levy, 2011, p. 124).

From a different perspective, Confucian wisdom is reflected in Lei’s personal philosophy: *holding the opportunity*. He explained it by using Einstein’s ‘1% talent and 99% hard-work’ theory. He holds that with 1% talent and inspiration (i.e. the opportunity), he can establish and succeed in business using the 99% effort as a foundation. In terms of production and marketing strategy, creating product faith is Xiaomi’s prime corporate goal and extreme customer-orientation – ‘*Just for fans; crush of fans*’ is the key. Ong (2012) commented that Xiaomi has built customer loyalty and proudly calls its users ‘mi-fans’ (i.e. fans of Xiaomi products), though it is considered an insult to call Apple users, ‘Apple fanboys’ or those buying Google’s Androids, ‘fandroids’. Learning from the successful experience of Apple Inc., which constantly draws faithful users to its products, Lei and his co-founders aspire to make high quality products and establish a large fan base, in spite of Lei’s being accused of emulating Steve Jobs’ personal image as “*the Steve Jobs of China*” and Xiaomi as “*Apple of the East*”. In reality, even if some business critiques charged that Xiaomi’s business success is due to its use of ‘hunger marketing’, a marketing strategy to restrict product supply to entice customers’ demand and eventually raise its product price, its fan-based marketing strategy made good use of internet micro-blogging power (through *Sina Weibo*, China’s top micro-blogging platform) to ‘sell’ products to its fans who could easily pull together to buy over 50,000 smartphones in five minutes (see Shu, 2013).

Lei stated that, in order to succeed in modern business, one needs to be familiar with the Internet environment, where his Internet philosophy is fostered upon *staying focused, extremeness, reputation and speed*, the elements for high-quality production and customer-centered service. Especially for *extremeness* and *speed*, Lei explained that Xiaomi wants to produce ‘let users scream’ (i.e. great) products: “*If users don’t ‘scream’ in our new-product launch conference, I know that we didn’t do a good job.*” Meanwhile, he declared that the *Xiaomi smartphone is the fastest smartphone in the world*. The speed is not only made for the product performance, but it also implies how fast and adjustable Xiaomi can be in the rapidly-changing market. Lei stressed the importance of visioning globally. By recruiting Barra, an ex-Gogler, and other international personnel from companies such as Microsoft, Motorola, and those of Silicon Valley, Xiaomi’s ambition of aiming at the world market is manifest and progressing.

Physical Ability (or, Sportsmanship)

Google’s executives value long-term engagement and success in conducting business. As Page acknowledges, it is important that an individual makes long-term investment and has faith that future would be brighter and better. Such long-term orientation requires ambition, endurance, and sportsmanship. Admiring Tesla, the Serbian American inventor in the 20th century, Page applauded Tesla’s innovative endeavor but added that, to be successful in business, one needs commercialization in addition to the innovation – or, simply, to turn inventions into businesses. Externally, conducting multi-dimension businesses is Google’s operational goal. As Page claims, a big company can’t just do one thing: “ideally, if you have more people and more resources, you can get more things solved” (McCracken and Grossman, 2013, p. 25). Meanwhile, it is Google’s foremost objective to maximize its user experience by providing quality products and wide-scope and truthful services. In the incidence of Google’s ‘China Problem’ (i.e. censorship issue), its market retreat from China attested to the Chinese authoritarian control over the freedom of expression as it demoralized Google’s principles in user service.

Internally, Google emphasizes regular and forthright communications among its employees. The famous ‘TGIF’ meeting of every Friday afternoon is the no-holds-barred Q and A session, where Googlers can submit their questions and be answered by Page, Brin, and/or other corporate executives. On the other hand, as part of the company’s perks, Google adopts the so-called ‘20 percent rule’, with which its employees are allowed to devote one day a week, or the equivalent of 20% of their work hours daily, to a project of their choice, as opposed to something required by their supervisor(s). As indicated by Google’s executives, innovative projects were often inspired and created by such employees’ self-indulgence and self-directed endeavors.

Importantly, sharing the same belief as Page, Lei commented that thriving business can’t let innovation and business work alone. Xiaomi’s physical ability to build and amass its business momentum lies on innovative management including elements of *intelligence, expertise, energy, and entrepreneurial passion (ambition)*. Lei summarized that, including himself, all the co-founders are greatly experienced in their professional areas; founding Xiaomi at an average age of forty-two, they are energetic and entrepreneurial, and share the same business objectives and ambitions. He further added that individuals hired by Xiaomi have sky-high intelligence levels, first-class skills and know-how, and filled with combating spirit and passion. It is such congregated manpower that allows Xiaomi to create its ‘scream’ products and the ‘wow’ effect.

Unlike Google’s multi-dimensional business, Xiaomi prefers mono-focused production or product-concentration. According to Lei, using the smartphone as an example, it is inferior to produce many products at the same time which may confuse and divert customers’ attention; a single product (model) focus launched periodically (such as Apple’s iPhone series (1~5), or Samsung Galaxy S-series (S1~S4) launched mostly once a year) could help customers decide and focus on what they desire, which could indirectly help secure the company’s user loyalty. On the other hand, in Xiaomi’s fan-based corporate culture, instantaneous communication is highly emphasized. Such communication is not only critical among its internal employees, but also prompts effective customer services, as promoted in its crony (fan) management. In its customer-focused framework, Xiaomi empowers its users by taking their feedback instantaneously and uses their opinions for future product modification.

Groupism (or, Cooperation)

Confucian *groupism* is reflected in Google’s unique corporate structure. It has the eminent ‘L-Team’ (L stands for Larry Page), consisted of Page, Brin, Schmidt (Google’s current CEO), and other top executives, functioning as the ‘heart’ of Google, along with its ‘brain’ made of a group of top-notch-world-class engineers and scientists producing its products and services. In this management team, eight habits bring Google’s managerial effectiveness to the fore (see Blodget, 2011): (1) *Be a good coach* (i.e. provide constructive feedback and present solutions based on employee’s abilities and strengths); (2) *Empower your team and don’t micromanage* (i.e. give employees freedom for their assignments while being available for advice); (3) *Express interest in employees’ success and well-being* (i.e. respect employees and make them welcome at work); (4) *Be productive and results-oriented* (i.e. focus on and be clear of what the team should achieve and how to achieve its goals; help the team and employees prioritize their work and remove possible and related impediments); (5) *Be a good communicator and listen to your team* (i.e. constantly and mutually communicate (through listening and sharing) and make goals clear and feasible for employees); (6) *Help employees with career development* (i.e. assist employees’ achievement both at work and off); (7) *Have a clear vision and strategy for the team* (i.e.

institute team visions, goals, and strategies as to how to achieve these goals and persist in team effort even during hardship), and (8) *Have key technical skills so as to help advise the team* (i.e. have cohesive and positive team spirit to face and conquer challenges)

Google's staffing policy is rather stringent, with its fundamental criteria including excessive intelligence and zealous aspiration, the so-called '*Googliness factor*'. As admitted by one of the company's first engineering recruiters, Google is a noble destination for tech-engineering and computer science elites. It hires and works only with best of the best. According to Page, "we hired people like us" – brainy minds from Stanford, Berkeley, MIT, and the like. Although Google emphasizes ability over experience and does not always prioritize formal education, it is common practice during its hiring to thoroughly check the academic background provided by job candidates. Sullivan, Google's top HR executive, revealed that Page and Brin would often ask for candidates' SAT scores and academic GPA (it held true even as she was hired by Google at the age of thirty-five). Although it may sound contentious to executives of other firms, Google's top managers (such as Mayer) embraced such recruitment practices affirming that the SAT indicates how smart and the GPA reveals how diligent a candidate is/was, which safeguards Google's HR quality. Groupism meanwhile means a non-hierarchical culture, with the only tiered splits between the "engineers and everyone else", as disclosed by Griffin, a non-technical personnel at Google. Computer-engineers are Google's 'brain' which drives ground-breaking creativity and innovation, the key elements to Page's *IOX* mentality. Page and Brin indulge these engineers as a prestigious royal class, ironically leaving the non-tech/engineering cohort (e.g. personnel from finance, office administration, and communication divisions) in a lower class of Google citizens.

Similar to Google's human resource recruitment and retention principle, Xiaomi only hires best of the best. Lei revealed that he spent 80% of his time finding the best talent to join the company during the early stages of startup. He asserted that the products produced by his best employees are unconditionally the best. In Xiaomi, the organizational structure imposes no sophisticated ranks among employees, except the dichotomy existing between the company's seven co-founders and the engineering teams. These task forces are parted into divisions of products, hardware, e-commerce, and sales, with which each division is supervised and supported by one of the co-founders. In order to practice *flat management* in the rank-free engineering troop, every engineering team enjoys its micro-group autonomy; it is intentionally kept small and elects its project (team) leader to carry out and coordinate the assignments.

Aesthetics (or, Elegance)

Aesthetics (or, Elegance) of Google is embedded in its amiable working environment and corporate culture. Its practice of *flat management* reflects how Googlers think, work, and live their lives. As divulged in their interviews, Page and Brin aspired to create a collegiate workplace where many of their employees, being the new college graduates, could still adore the academic atmosphere of 'Google campus' (it was commonly believed that Page and Brin actually create for themselves the campus-like environment where they feel most comfortable with simply because they started up their tech-kingdom from a student (college) life without working elsewhere and directly transforming into a career life). On its campus, Google institutes its own Learning Annex, known as *Google University*, builds its own *Google Apartment*, runs its own *Google Bus*, and socializes in its own *Google Cafés*. As witnessed by Schmidt, the collegiate system is best to invite and nurture innovation and creativity; it connects employees

together to foster friendship and fellowship, and to do things which “are very similar to what they did in college.”

Google’s aesthetics is also exemplified in the company’s perks: free cafeteria and eateries, game rooms, countless micro-kitchens around work areas (for snacks and light refreshments), a fancy gym and its state-of-the-art sports equipment, massage and recreation lounge, even the medical clinics, so Googlers don’t have to leave its campus for doctor’s visit. “It’s sort of like the corporation as housewife,” said Malone, a Googler; “Google cooks for you, picks up and delivers your dry cleaning, takes care of your lube jobs, washes your car, gives you massages, organizes your work-outs...” (Levy, 2011, p. 135) The famous *Charlie’s Café*, managed by Google’s first executive chef Charlie Ayers, preparing free and healthy cuisine for Google employees, which according to Sullivan, costs a total of around \$80 million a year, became a tourist attraction for visitors, and Ayers has benefited as “the only chef job with stock options!”

Google’s *flat management* ensures its employees have freedom to pursue their career interests. The Montessori mindset upholds such intellectual independence, which creates and maximizes Google’s innovative capability and business capacity. It uses small-team autonomy wherein engineers of a team are symbiotic and mutually compliant. Once in Google’s corporate culture, Brin and Page assumed no managers needed especially among the engineers at their workplace; they believed that engineers are sovereign, logical and able to self-organize. While mutual trusts are built on interpersonal respects and equitable attitudes, work liberty and flexibility at Google have in reality promised undefeated sustainability and corporate growth.

Under the corporation of Xiaomi, trust and confidence are two rudiments to promote employees’ collaboration and work effectiveness. According to Lei, Xiaomi is not and does not have to implement the KPI (Key Performance Indicator) evaluation system; its employees never need to clock in or clock out, and have tremendous freedom to work with their teams in the ‘team’s way’. He particularly emphasizes the value of fulfilling one’s responsibility, and the principle of *taking others’ business (or, problem) as one’s own business (or, problem)* – helping each other to achieve collective goals. Likewise in Google’s corporate culture, Xiaomi supports a collegial working environment where its workers, while having sovereignty at their tasks, are encouraged to build professional fellowship and to cultivate innovation and creativity.

In Lei’s managerial vision, flat hierarchy means simplified management. There is no hierarchical reporting system except for the delegated organizational layers’ (i.e. co-founders, team leaders, and engineers) effective communications. Simplified management also implies streamlined administration where the first-line engineers (who work and interact directly with customers) are encouraged to make product decisions to promptly satisfy users’ needs. According to Lei, in the high-speed and swift-changing Internet environment, making decisions first and then adjusting them as needed is vital for business competitiveness. Lastly, in Lei’s administrative approach, Xiaomi values liberty and flexibility as opposed to the disfavored bureaucracy. Employees are urged to learn from and support each other, as well as to appreciate and embrace differences.

Table 2: Flat Management under Confucian Wu Yu: Comparative Corporate Management and Executive Philosophy (Google vs. Xiaomi).

<i>Confucian Philosophy: Wu Yu</i>	Google Inc.	Beijing Xiaomi Technology Co., Ltd.
<i>Morality</i> (or, <i>Virtue</i>)	<ul style="list-style-type: none"> • ‘Don’t Be Evil.’ (However, ‘Know Evil!’) • Philanthropic venture • Environmental consciousness 	<ul style="list-style-type: none"> • Broad-range product improvement • Constructive stakeholder management
<i>Intellectual</i> (or, <i>Wisdom</i>)	<ul style="list-style-type: none"> • 10X mentality • ‘To think big!’ • ‘To change the world!’ and ‘to do something different (new).’ • The <i>Montessori</i> school of thoughts 	<ul style="list-style-type: none"> • ‘Holding the opportunity’ • Extreme customer-orientation – ‘Just for fans; crush of fans’ • Internet philosophy: <i>focus, extremeness, reputation, and speed</i> • Global vision
<i>Physical Ability</i> (or, <i>Sportsmanship</i>)	<ul style="list-style-type: none"> • Long-term orientation • Invention vs. commercialization • Multi-dimensional business • Maximizing user experience • Regular internal communication • ‘20 percent rule’ 	<ul style="list-style-type: none"> • Invention vs. business • Innovative management: <i>intelligence + expertise + energy + entrepreneurial passion (ambition)</i> • Creating the ‘scream’ or ‘wow’ effect • Mono-focused business • Instantaneous communication
<i>Groupism</i> (or, <i>Cooperation</i>)	<ul style="list-style-type: none"> • The ‘L-Team’ • ‘Work only with best of the best’ • Non-hierarchical team 	<ul style="list-style-type: none"> • ‘Hiring best of the best’ • Rank-free engineering team • Small-group/micro-team management
<i>Aesthetics</i> (or, <i>Elegance</i>)	<ul style="list-style-type: none"> • Collegial office environment and generous corporate perks • Freedom of pursuit • Mutual trust • Work liberty and flexibility 	<ul style="list-style-type: none"> • Trust and confidence • Collegial working environment • Simplified management • Liberty and flexibility

CONCLUDING REMARKS AND IMPLICATIONS

Google Inc., building its mighty cyber-computing and technology kingdom in the West, and Xiaomi Inc., a newly evolving but fast-growing tech power in the East, are known for their ‘flat management’ where the hierarchical organizational structure is delayed and employees are encouraged to involve directly in business decision-making process. Based on the Confucian philosophical paradigm known as *Wu Yu – morality* (or, *virtue*), *intellectual* (or, *wisdom*), *physical ability* (or, *sportsmanship*), *groupism* (or, *cooperation*), and *aesthetics* (or, *elegance*), this study uncovered that under flat management, although each company possesses its corporate culture and distinctiveness, both Google and Xiaomi achieve their business success and sustainability through adopting small-team orientation, vision of integrating innovation with business, effective communication, work liberty and flexibility, working with best talents, and cultivating collegiate workplace, of which these administrative components may suggest new managerial norms to modern corporate management.

Confucian *Wu Yu* criteria which reflect in managerial tactics and practices of Google and Xiaomi are summarized; furthermore, practical implications to constructive organizational management across industrial sectors are proposed as follows:

Morality plays pivotal role in shaping corporate culture and stakeholder’s value.

In the measure of *morality* (or, *virtue*), ‘*Don’t be evil!*’ (or, ‘*know evil*’) of Google upholds its corporate value emphasizing not only to ‘do the right things’ but also to ‘do things right’. Google’s leaders also advocate altruism and corporate social responsibility by taking part in various philanthropic projects. To Xiaomi, on the other hand, it is only moral as it recognizes the importance of product improvement and constructive stakeholder management including empowering its employees for decision making and direct involvement in company, as well as working directly with its customers for better services.

Sustainable corporate growth relies on continuous intellectual investment and long-term vision.

As to Confucian *intellectual* (or, *wisdom*) standard, Google’s employees are encouraged ‘to think big!’ or referred to by Page as the ‘*10X mentality*’ Meanwhile, Google holds its ambition to change the world and to do something which makes sense but not something ordered by authority, known as the *Montessori* mindset. Lei, CEO of Xiaomi, nonetheless accentuates the opportunity his company takes to create the products ‘*just for [its] fans*’, through *focus*, *extremeness*, *reputation*, and *speed*. Possessing global vision, Lei is inspired to serve the East Asian regional (and eventually the world) market by supplying high-quality but low-cost mobile-internet phones and customer-oriented services.

Sportsmanship in corporate environment assures creativity and innovative development.

Physical ability (or, *sportsmanship*) is elemental to both Google and Xiaomi. To Google, physical ability implies its competency in research and development, its integration between invention and business, its communication internally and externally, and importantly, the so-called ‘*20 percent rule*’ which motivates its employees for innovation and creativity. In Xiaomi, sportsmanship elicits innovative management: *intelligence + expertise + energy +*

entrepreneurial passion (ambition). Its primary goal is to strategically transform innovation into business, and to create ‘wow’ effect and ‘wow’ products for its end-users.

Team orientation is the key to fostering productivity and competitiveness.

Confucian *groupism* (or, *cooperation*) stresses the importance of ‘team-work’ and ‘in-group spirit’, as embraced by both Google and Xiaomi. It is broadly acknowledged that only the best talent are hired and could work in these organizations where the task force with top omniscience, self-discipline (or, self-governance), and interdependence (or, shared-governance) is the key to maintain high productivity and business competitiveness. Through team orientation, each firm’s corporate management is made less-hierarchical and autonomous functioning.

Constructive corporate management endorses the creation of Laissez-Faire workplace (through stakeholder’s self-discipline).

Lastly, *aesthetics* (or, *elegance*) of Confucius nurtures collegiality, mutual trust, work liberty and flexibility. In addition to creating an amiable environment, Google’s well-endowed and generous company perks such as free food at *Google Cafés*, game rooms and gyms, and other benefits have endorsed its employees’ high tenure and low turnover rates. In Xiaomi, aesthetics also implies simplified management, which suggests no complex reporting system except for the delegated organizational layers between co-founders, team leaders, and engineers. Through practice of aesthetics, Google and Xiaomi have made themselves unique in their corporate culture and an inspiration in modern corporate management.

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