Google created a unique work environment that attracts, motivates, and retains the best players in the field. At the same time, Google does not view their culture as a «set it and forget it» program. They are actively changing and maintaining it, because it is crucial to their success. That is why Google is considered to be one of the best companies to work in.

References


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TESLA Inc.: INNOVATION BEARS EFFICIENCY

Abstract. The overview of Tesla’s corporate culture is highlighted in the article. The main attention is given to key factors of the inner corporate environment, which determine the success of the company on the market, such as innovative approach, encompassing development etc. Another aspect stressed is the definition of positive and negative aspects of Tesla’s corporate culture.

Key words: Tesla Inc., corporate culture, corporate values, business conduct and ethics.

Introduction. Concerning the fact of Tesla cars being extremely popular among the customers not only in America, but also in European countries, we are confidently able to tell that Elon Musks’ child has become a worldwide known brand. Starting as a company specializing in electric sports cars, Tesla evolved into a mass product manufacturer, delivering luxury sedans (Model S) and crossovers (Model X) to its customers and employing 25 thousand workers. Furthermore, the company is nowadays distinguished among the powerful car manufacturers such as Volkswagen, Toyota and GM. Another outstanding aspect about the company is its willingness to cooperate with other vehicle manufacturers in the field of electric cars. The biggest joint venture is a partnership between Tesla and Mercedes-Benz, which has borne fruits with A-Class...
vehicles powered by electric motors. What is more, company advances technologies in the field of solar energy, autonomous power grids via Elon Musk’s spinoff company — SolarCity Corporation. Overall, Tesla Inc. is pushing boundaries of the renewable technologies and electric vehicles market. The business model of the company proves to be effective due to the fact that it holds the second place in the global e-cars market led by main competitor — BYD company which produces low quality cheap vehicles. Nevertheless, what is the reason of this young company’s unique performance and outstanding growth rate, despite innovative strategy, environmentally friendly vehicles and customer’s loyalty?

The answer to this question refers to the corporate culture of the organization, which determines not only the management and production process, but also the relations between seniors and their subordinates.

The background of the whole corporate system is highlighted in the specific document named «Code of business Conduct and Ethics». These are the basic rules that form the foundation of Tesla in line with the mission of the company.

**Code of business Conduct and Ethics** [1]. The document mentioned is subdivided into 14 sections that cover diverse number of topics including: compliance with the regulations and law; conflict of interest issues; corporate trading prohibition; record keeping necessity; compliance procedures; asset protection and other significant issues that occur in every company. However, there are several points, which refer to the inner environment of the company.

The first one is a «Competition and Fair Dealing». This block highlights that the company possesses itself as a highly competitive organization that consolidate its success via fair trade, innovative approach and competition.

Another important part of the document is the «Discrimination and Harassment». The Board mentions that diversity of the company's employees is a tremendous asset and highlights that the company is committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind.

The third point is «Health and Safety». This block is referred to creating a healthy work environment where violence and threatening behavior are not permitted.

Last, but not the least, is the “Compliance Procedures” block that encourages subordinates to maintain a constant dialogue with the higher management in order to retain consistency and pretend/minimize the threats and violations among the staff.

**Corporate culture.** The company’s ability to combine innovative approach, perceive high quality standards and maintain inner-corporate Moral Code managed to introduce Tesla Inc. as highly efficient and the most innovative company in the world. Therefore, Tesla’s corporate culture can be identified as the following [2]:

1. Move Fast
2. Do the Impossible
3. Constantly Innovate
4. Reason from «First Principles»
5. Think Like Owners
6. We are ALL IN
**Move Fast.** Speed affects Tesla’s competitive advantage. This characteristic of the organizational culture highlights the importance of employees’ capability to rapidly respond to trends and changes in the market. In this way, Tesla’s organizational culture facilitates resilience through speedy response to current issues and challenges in the automotive industry.

**Do the Impossible.** In developing cutting-edge products, Tesla must ensure that its corporate culture encourages employees to think outside the box. This cultural characteristic recognizes the importance of new ideas and solutions, but it also emphasizes the benefits of considering unconventional ways. For example, employees are trained to go beyond conventional limits of productivity and creativity in automotive design. This condition opens new doors for the company to improve its performance.

**Constantly Innovate.** Innovation is at the heart of Tesla Motors, Inc. This feature of the organizational culture focuses on the continuous nature of innovation at the company. Innovation helps develop cutting-edge electric cars and related products. However, Tesla must innovate continuously to maintain its competitive advantage. The company addresses this need through an organizational culture that rewards constant innovation.

**Reason from «First Principles».** CEO Elon Musk promotes reasoning from first principles, which involves identifying root factors to understand and solve problems. Through the company’s corporate culture, employees use first principles in fulfilling their jobs. Tesla also has training programs to orient its human resources to this feature of its organizational culture.

**Think Like Owners.** Tesla employs its organizational culture as a tool to maintain a mindset supportive of business development. The company wants its workers to think like they own the organization. This ownership mindset supports Tesla’s mission and vision by encouraging employees to take responsibility and accountability in their jobs and in the overall performance of the business.

**We are ALL IN.** Tesla Motors, Inc.’s organizational culture unifies employees into a team that works to improve the business. This cultural characteristic helps minimize conflicts through teamwork. Such teamwork also develops synergy in the company’s human resources, thereby making the corporate culture effective in maximizing benefits from employees’ talents and skills to bring competitiveness in the automotive market.

What is more, some specialists suggest that in order to understand the corporate culture of Tesla Motors, even more deeply and clearly, it must be considered as a self-sufficient spots team with the so-called «playing coach» — Elon Musk. Developing this idea, the following criteria are highlighted [3, 4]:

1. **Values are both performance-driven and highly ethical.** The actions people take reflect the values the culture supports. In high-performance organizations, values are shared, ethical and performance-driven.

2. **No complaining, blaming or excuses.** High performers take full responsibility for everything they are part while complaining, blaming and excuses are often traits of underachievers, not high-performers.

3. **The bar keeps rising.** Like Tesla, high-performance individuals, teams and organizations all continually get better.
4. **Focus is fanatical — on two things.** The attention is given to two things: 1) establishing a culture and 2) brand awareness — being known for one product, service or something that differentiates them in the market.

5. **Failures are valuable.** Greatness requires being different and risk is inherent in being different. Leaders, individuals and teams do not like to fail, but are willing to fail. Tesla views failures as valuable setbacks to learn from because:
   - you learn what does not work
   - you can often evolve the idea or product to one that does work.

6. **Motivation is driven by excitement, not fear.** Excitement ignites individual and team motivation, while fearful people tend to play carefully not to lose rather than play aggressively to win.

7. **Accountability is reversed.** In Tesla, a junior person or a team brings the agenda, progress and problems to the direct manager. They are the one to lead the discussions and bring the senior person up to date, celebrate successes and ask for help with problems.

**Conclusion.** Tesla’s organizational culture supports innovation. It enables the company to develop high-technology products that attract its customers, which aligns with Tesla’s corporate strategy and mission respectively. The organizational culture is also advantageous in terms of support for rapid response and problem solving, long-term planning and willingness to constantly evolve skills and competences in order to achieve personal and corporate success.

On the other hand, the main disadvantage of Tesla’s organizational culture is its pressure on employees to constantly innovate. Innovation benefits the company, but puts a strain on human resources. What is more, Tesla’s corporate culture imposes limits on the employees in terms of corporate secrecy, responsibilities for assets’ destruction etc. All in all, the overestimated value of corporate assets defines most problems inside organization. Nevertheless, Tesla Inc. is anticipated to rapidly develop in the sphere of the automotive market by securing its «friendly environment» vehicles niche.

**References**


