Executive Summary

The purpose of this paper was an analysis of the organizational behavior of Uber Technology Inc. regarding diversity and sexual harassment issues. Beginning in 2017 Uber was exposed to be a toxic workplace for Women and Minorities and the leadership was complicit in creating it. References from Central Michigan University MSA 601: Organizational Dynamics and Human Behavior was the baseline for developing the analysis. Several chapters from the MSA 601 text, “Organizational Dynamics” by Angelo Kinick and Mel Fugate were directly referenced regarding the issues at Uber. Various chapters referenced include the following: “People-Centered Managers and Workplaces,” “Understanding Social Perceptions and Managing Diversity,” “Leadership,” and “Managing Change and Organizational Learning.” In addition other sources including first person accounts from former employees at Uber and a third party investigations by the former Attorney General of the United States, Eric Holder, were referenced to draw conclusions. Finally a recommendation was made for a program to address the continued organizational change needed at Uber.

Keywords: sexual harassment, Uber, workplace violence, bystander intervention, sexism
An Analysis of UBER’s failures in Human Resources and Leadership Regarding Sexual Harassment and Hostile Work Environments

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Title Page

Chapter 1: History

Chapter 2: Uber Work Culture Exposed

Chapter 3: Uber Attempts Organizational Change

Chapter 4: Recommendations

References
Chapter One

Research Problem

The research question that needs to be asked about Uber Technologies Incorporated is what steps can they take to change their corporate climate and improve as a safe workplace for diversity and innovation. Due to a recent series of high profile events it has become very apparent that solving this question may be key to Uber’s survival as a functioning organization.

History

The story of Uber Technologies Incorporated begins on a snowy night in Paris, France in 2008 (Uber, 2018). The two founders, Garrett Camp and Travis Kalanick, were attending the annual technology conference LeWeb. The two were unable to get a taxi and thus mused about a simple way to order a ride. The initial concept was a for a timeshare limousine service and the idea stuck with Camp even after he returned from Paris. In 2009, Camp purchased the domain UberCab.com, worked on the concept as a side project, and convinced to Kalanick to join him on the development process (Blystone, 2017).

The company launched a beta test in New York City with an official launch in May 2010 in San Francisco, California. At debut the company focused on the ordering of luxury “black-car” service. The technology behind the company was simple yet disruptive. Utilizing the mobile phone UberCab application the customer could order a ride with the tap of a button. The app would use the global positioning system (GPS) built into the mobile phone to calculate the cost of the trip from starting point to destination. If the cost was acceptable the customer could accept the ride and a charge would be made to their user account (Blystone, 2017). The cost was much higher than using a taxi but you could request a car with the click of a button and thus it became popular quickly (Hartmans and McAlone, 2016).
In October 2010 the company launched a successful first round of fundraising but encountered a stumbling block when they received a cease and desist order from the San Francisco Municipal Transportation Agency due to operating a taxi service outside the bounds of their agency. As result the company was quickly renamed “Uber.” In 2011, after another round of funding of $11M USD, Uber is valued at $60M USD. At this time Uber began to spread rapidly to other cities including Chicago, New York City, Seattle, and Paris. In 2012 Uber further expanded by launching a new service, UberX. UberX hired regular people to drive their own car, for the app, after a background check and meeting minimal vehicle requirements. Furthermore in 2014 UberPOOL was launched as a car pooling service to match drivers and workers traveling in the same direction (Ong, 2014). In that same year Uber Eats was launched allowing for customers to utilize Uber as an online food delivery service. In 2016 alone Uber was estimated to have provided almost 170,000 a day in New York City (Dickey, 2016).
Chapter Two

Uber Work Culture Exposed

The Uber app has been a disruptive technology to the traditional monopoly of taxicab companies. This has resulted in several legal challenges and similar brands launching in the last nine years. However, issues within the company from stemming from their top-level leadership, to the app, and regular drivers have been a problem swept under the rug for years (?). In January 2017, Uber became the target of public criticism due to their actions during a protest against the Administration’s Immigration Ban. The taxicab drivers of New York Taxi Workers Alliance announced via Twitter, a social media network, that they would strike on January 29, 2017 and not pick anyone up from New York’s John F. Kennedy International Airport between the hours of 6pm to 7pm as a protest against Trump’s inhumane ban seemingly targeting Muslim countries. They also made clear that the protest could continue for an indeterminate amount of time (NYTWA, 2017).

In response Uber tweeted that surge pricing for John F. Kennedy International Airport had been turned off during this time and that wait times may be longer (Uber, 2017). This move sparked an outcry as it was viewed as cooperating with the Immigration Ban breaking the strike to undercut the protest of the New York taxi drivers. A movement called #DeleteUber immediately launched via Twitter with an untold amount of customers deleting the Uber app from the phones. The next morning on January 30th Uber’s competitor Lyft donated $1M to the American Civil Liberties Union to support their lawyer working to end the Immigration Ban. In response on the afternoon of January 30th Uber announced it had setup a $3M USD legal defense fund for immigrant drivers and formally requested that President Trump end the Immigration Ban. In addition CEO Travis Kalanick’s initial statement held mild criticism for the
ban meanwhile Lyft’s co-founders John Zimmer and Logan Green attacked the policy in no uncertain terms. Uber’s customer base was severely impacted and they were unable to determine how extensive the damage was at that time.

Immigration Ban scandal exposed Uber in a highly visible way and placed public scrutiny upon them. Shortly thereafter Uber was assailed with allegations of a toxic hyper masculinity focused work culture invested with sexist and discriminatory behavior. In February 2017, Susan Fowler, a former engineer at Uber, wrote a blog post detailing her experience of working at Uber from November 2015 to December 2016. She shared stories of her uncomfortable process of organizational socialization at Uber consisting of stories of blatant sexual harassment, sabotage, and discrimination within the corporation. On her very first day, with her assigned engineering team, her manager blatantly propositioned her for sex via the company chat service. She immediately sent the messages to human resources for resolution. Even though she reported him with documented proof nothing was done. She was informed that he was a high performer and to avoid affecting his career over a first offense they would only be giving him a stern talking to (Fowler, 2017).

Human resources then told her that she either had to move teams or accept that poor evaluation that was likely to give her in the future. If she stayed and received the bad review there would be nothing she could do about it nor would it be considered retribution (Dent, 2017). She opted to change teams but after several months, meeting with other woman engineers in the company, she discovered it was not his first offense nor would it be his last. She and other women employees arranged for a series of meetings with human resources related to the well-documented issues. The meetings resulted in human resources denying any of the allegations
against the “high performer” employee and illegally threatening Ms. Fowler with firing as retribution (Fowler, 2017).

Ms. Fowler described the organizational culture and work environment at Uber as chaotic with such examples as managers deliberately sabotaging their own supervisors in attempts to acquire their jobs. Project were abandoned or given no guidance with insane deadlines, requirements could change day to day, and there were constant reorganizations. After continued blocking of her career advancement by her management team to include changing her evaluations without her knowledge, denying her transfers, and a blatant sexist decision to only purchase company coats for men Ms. Fowler decided it was time to leave Uber. When she arrived at Uber women were 25% of the engineer force and we she left 3% remained (Fowler, 2017).

This blog post was essentially Ms. Fowler reflecting on the toxic work environment at Uber. Fred Luthans defines a positive organizational behavior as having five key dimensions: employee engagement, organizational commitment, job satisfaction, performance, well-being, and customer satisfaction (Kinicki, 13). It was quickly revealed in early 2017 that Uber was failing at all these categories. Ms. Fowler’s blog post served as a pseduo whistle-blower moment and wake up call for Uber regarding their organizational behavior. The CEO of Uber Travis Kalanick released a statement that Uber would be an immediate investigation and those involved with such behavior would be fired. A similar event occurred in 2014 when Kalanck claimed the actions of the Vice President of Uber Emil Michael, when threatened a smear campaign against a reporter, showed a lack of leadership and humanity but seemingly did not result in a change to their corporate climate (Sottek, 2017).
The Board of Directors of Uber called for an internal investigation led by former Attorney General of the United States, Eric Holder. In the intermediary period four top executives resigned from Uber including their new President Jeff Jones whose statement included the following comments: "….It is now clear, however, that the beliefs and approach to leadership that have guided my career are inconsistent with what I saw and experienced at Uber, and I can no longer continue as president of the ride sharing business." In addition an engineering executive was asked to resign due to allegations of sexual harassment at his previous job at Google. CEO Travis Kalanick was also caught on video berating an Uber driver while being combative and aggressive which resulted in a leave of absence from the company before stepping down as CEO. Kalanick posted an apology on Uber’s website stating that he “needs to fundamentally change as a leader…and seek leadership help.” Clearly the leadership at Uber was not healthy not steering the organization in a positive manner (Issac, 2017).
Chapter Three

Uber Attempts Organizational Change

In March 2017, during Kalanick’s leave of absence, Uber released the diversity report detailing the structure of the company’s workforce and the challenges they faced in improving. They also stated that their previous intense hyper-masculine culture went too far and needed to be adjusted. They noted that top performers were promoted into managerial positions but received little to no training on their new roles. 63% of their management team had never held a leadership role. Among Uber’s 12,000 employees, 40% were Women, and African American and Hispanic employees make up about 15% of the company. In an attempt to alleviate some of the identified issues Uber has launched several new effort to include a set baseline training for all their first time managers and program to recruit more Women, Hispanics, and African Americans into employees from universities (Sharma, 2017).

Eric Holder’s four month long investigation, as Covington and Holder, involved interviewing 200 employees and analyzing three million documents. The report yielded several recommendations including decentralizing some of the powers of the CEO, mandatory leadership training, a more robust complaint process, an overhaul of their human resources system, and more oversight from their board of directors. The Holder Report also recommended additional recruitment efforts from diverse university programs. Several of the recommendations directly related to the experience of Ms. Fowlers. They suggested that no special treatment given to any employees regardless of tenure or past performance, that romantic relationship be prohibited among employees where one reports to the other, and bias and abuse of the performance review process be eliminated. They also suggested restricting alcohol and drug use a company events (Covington and Holder, 2017).
Uber announced the firing of 20 employees, counseling of over 100 others, and 31 placed into training in relation to the report. However, during that same board of directors meeting that these findings were announced a board member, David Bonderman, made an extremely sexist comment toward the board members who were women within ten minutes of the declaration of “a new Uber.” Bonderman resigned a few hours after the meeting but it only emphasized how deeply the toxic culture was embedded at even the highest echelons (Green and Levin, 2017). In addition there were several revelations in March 2017 regarding the issues of ethics within Uber such as the handling of sexual assaults on passengers via forced arbitration, the use of a secret and possibly illegal program called Greyball to evade government scrutiny globally and booking of rides by law enforcement officials, possibly using stolen technology for their self driving cars, and not running proper background checks on drivers (Bershidsky, 2017). It was also revealed during Eric Holder’s investigation into Uber the company hired a third party, Perkins Coie, to investigate Ms. Fowler’s life and report those finds to former Attorney General Holder to influence his investigation (Kolhatkar, 2018).

Along with former Attorney General Holder’s study, Uber also launched an internal investigation into its workplace culture and diversity led by Frances Frei, an expert on gender equality from Harvard Business School. Frei then joined the company full time as Senior Vice President of Leadership and Strategy to begin combating the issues identified (Regan 2017). However, it was clear that the issues with Uber are not limited to one individual, as shown by Bonderman and Kalanick, and that a change in their culture was necessary. In response to all of the emerging corporate climate and ethical issues Uber CEO Travis Kalanick resigned in June 2017 with major leadership positions such as chief financial officer and chief operating officer also unfilled (Liberto, 2017). In an attempt to start the change in Uber from the top, former
Expedia CEO, Dara Khosrowshahi, was selected by the Uber board of directors as the next CEO of Uber. Khosrowshahi has been viewed as an anti-Kalanick or “correction” for Kalanick’s errors maintaining Uber’s toxic culture of sexual harassment, abusive speech toward a driver, and actions regarding President Trump’s controversial immigration policy (Thompson, 2017). Khosrowshahi, an immigrant from Iran, has been a vocal critic on the current Administration’s policies while also being viewed as calm, friendly, and approachable in the business world (O’Kane, 2017).

In 2018, as part of the process to rebuilding their image, Khosrowshahi has given extensive interviews regarding the changes he would implement at Uber and also apologies to various entities regarding ethical issues regarding Uber. He created a new list of cultural values by soliciting ideas from the employees, including “We Celebrate Difference” and “We Always Do the Right Thing Period.” Khosrowshahi has also focused 2018 on driver and rider safety such as including access to 911 in the Uber app and improving background checks.

Khosrowshahi summed all of his efforts, and his intentions going forward, at a speech titled “Reforming the Bro Chaos” to the Women of the World Summit (2018). Khosrowshahi identified the previous culture at Uber as one where power allowed one to do whatever they wanted. In May 2018, Uber also broadcast a series of commercial advertisements starring Khosrowshahi (Uber, 2018).
Chapter Four

Recommendations

Uber is making an effort to adopt new cultural norms and make long term changes to their human resources department, recruitment programs, and training for managers. However a more immediate program would also be of benefit. A program focused on training current employees on how to actively prevent and be aware of instances of discrimination, harassment, and threats to the well being of others would be highly appropriate. If focused on improving the general work climate and preventing the emergence of a toxic environment studies involving bystander intervention, regarding sexual assault, have shown positive results on college campuses, hospitals, and within the military (Banyard, Plante, and Moynihan, 2004).

Bystander intervention training stems from the idea that violence, sexual or otherwise, is embedded in community and cultural norms. To change the environment that allows for such crimes there is a need for a community focused solution to change the social norms. To induce change it must occur on four levels: the individual, relational, community, and societal. For the change to impact Uber it only needs to changes at the first three levels though the #MeToo movement is assisting at the societal level (Dalberg and Krug, 2002)

The United States Air Force partnered with and adopted the “Green Dot Bystander Intervention” program as their training tool of choice concerning sexual harassment, sexual assault, and domestic violence. The training is accomplished twice a year and focuses on removing toxic and threatening influences from the work environment. Service members are trained on methods to defuse a power based violence situation or a generally inappropriate event. They can directly intervene, delegate the responsibility, or create a distraction. Direct intervention interjects the person into the conflict and has the highest level of personal risk.
Delegation involves contacting another figure with authority, a police officer or security, to resolve a situation that has been identified. Finally distraction involves creating a scenario to allow the victimized party to escape along with the intervening person (Alteristic, 2018).

The Green Dot Bystander Intervention trains personnel to be proactive in situations rather than being unequipped to intervene. Green Dot training also references creating a more positive environment. Conversations and behaviors that foster an unsafe and toxic work environment are identified as “red dots.” The bystander training teaches personnel to intervene and not let “red dot” actions occur unchallenged (Alteristic, 2018). The corporate culture at Uber would benefit from a similar bystander based intervention program that actively teaches tools to allow individuals to immediately challenge the toxic behavior that ran rampant at Uber. During the initial months after the resignation of former Uber CEO Travis Kalanick the employees began launching focus groups to talk about the problem at Uber, to include misogynistic actions, and address them (Khosrowshahi, 2018).

These work groups acted as a base to implement the changes that new Uber CEO Dara Khosrowshahi wants to achieve but providing a guideline for the entire company would helpful. Uber’s new phrase “We Do the Right Thing Period” would really sync well with bystander intervention training and fostering a non-toxic environment at Uber. Considering the extensive sexual harassment issues that previously existed at Uber having a program that directly addresses sexual violence and how it can be mitigated in the workplace is great choice (Cook, Millsbaugh, and etc, 2014).
References


