Executive Summary

The purpose of this paper was an analysis of the organizational behavior of Uber Technology Inc. regarding work environment issues involving diversity and globalization. Some of the main issues discussed will involve sexual harassment and discrimination at Uber. Beginning in 2017 Uber was exposed to be a toxic workplace for Women and Minorities and the leadership was complicit in creating it. Since that time Uber has attempted to revitalize the company but recent events, including lawsuits, prove there is still a long road ahead. References from Central Michigan University MSA 604: Administration, Globalization, and Multiculturalism was the baseline for developing the analysis. In addition other sources including first person accounts from former employees at Uber, a third party investigations by the former Attorney General of the United States, Eric Holder, and lawsuits against Uber were referenced to draw conclusions. Finally a recommendation was made for ideas and programs to address the continued organizational change regarding diversity needed at Uber.

Keywords: sexual harassment, Uber, workplace violence, bystander intervention, sexism, racism, discrimination, globalization
Uber Technologies and Hostile Work Environments, Diversity, and Globalization

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Chapter One

Research Problem

From an administration, globalization, and multiculturalism perspective my life experience has been limited to my work within the United States Air Force. As a member of the Air Force I have been involved with numerous diversity and workplace management issues over the years. Those issues have been focused on building effective teamwork among diverse backgrounds for Americans and a wide array of our allied partners. I have found myself working in global environments such as Iraq, Afghanistan, Egypt, England, South Korea, and Japan to align the goals and efforts of those nations with the interests of the United States.

In that same regard I have experienced the changing environment within the Armed Forces towards women, minorities, lesbians, gays, and non-binary or changed gender service members. The integration of these diverse communities within the United States Armed Services requires constant training and update to protocols to best ensure unity and completion of mission. The Armed Forces have some excellent programs concerning educating the members and preventing future issues. Regarding application to this paper, this researcher believes my experience in working in diverse, multicultural, multination environments can be applied heavily. As such this analysis of Uber will be impacted by this researchers view of a healthy organization that works to resolve problems. The research I conducted for this paper primarily focused on Uber’s corporate climate and culture, including the exposure of Uber’s toxic work culture and exodus of leadership in 2017, and the emergence of Uber’s partnerships in other nations aligning with competing organizations.

The research question to be addressed, regarding Uber Technologies Incorporated, are what future plans Uber Technologies has and evaluate the current revamped corporate culture
improvements, offered by Uber’s new Chief Executive Officer Dara Khosrowshahi. The exposure of Uber’s corporate climate issues in 2017 made it clear a serious revamping of their corporate culture and climate was necessary to gain and retain talent. As such Uber has to make an extensive effort to improve as a safe workplace for diversity and innovation, which will also be discussed in this paper.

Upper management and your companies’ leadership must be personally responsible for diversity within the day-to-day operations of the company. Everyone within the companies’ leadership must be committed to inclusion and diversity. They must also buy into the personal responsibility necessary for the programs success. At times, management views diversity as a human resource matter. For a company in today’s competitive market, the only compelling advantage is the people within the company. To be successful in the business, it is imperative that the major interest within the companies’ leadership and employees is the importance of diversity to the success of the business as a whole. Leaders need to demonstrate what is required, have a strong vision, and hold everyone’s feet to the fire (c.ymcdn.com). The research question that needs to be asked about Uber Technologies Incorporated is what steps can be taken to improve their corporate climate and status as a safe workplace for diversity and innovation (Verschoor, 2018).
Uber Toxic Work Culture Revealed

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 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. 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).

In 2011, 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 2016 alone Uber was estimated to have provided almost 170,000 a day in New York City (Dickey, 2016). 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 as a protest against Trump’s inhumane ban seemingly targeting Muslim countries. (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. Uber’s customer base was severely impacted and they were unable to determine how extensive the damage was at that time (Twitter, 2017).

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. Her anecdotes of her experiences at Uber consisted of stories of blatant sexual harassment, sabotage, and discrimination within the corporation. On her very first day 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 he 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 was it 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 only 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 revealed in early 2017 that Uber was failing at all these categories. Ms. Fowler’s blog post served as a pseudo 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 statement was made by Kalanick occurred in 2014 when he stated that Vice President Emil Michael’s actions threatening a smear campaign against a reporter showed a lack of leadership and humanity. Based on the issues in 2017 it did not result in a change to their corporate climate (Sottek, 2017).

The Board of Directors of Uber called for an 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, claimed due to diverging morals and ideas. In addition an engineering executive was asked to resign due to allegations of sexual harassment at his previous job at Google. At the same time CEO Travis Kalanick was caught on video berating an Uber driver. Kalanick posted an apology on Uber’s website stating that he “needs to fundamentally change as a leader…and seek leadership help” (Issac, 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 during 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 and 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).
Chapter Two

Uber Seeks to Begin Again

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 Woman, Hispanics, and African Americans into employees from universities (Sharma, 2017).

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).

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 the toxic work culture that existed since the beginning of Uber was an issue that would take a long time to resolve. In Fall 2017 their new global head of Diversity and Inclusion, Bernard
Coleman discussed the March 2017 diversity report and made these comments about Uber’s growth in an interview:

"When I arrived at Uber some eight months ago, I was eager to help drive [the company] as a leader, not only in ridesharing, but also as a forerunner in diversity and inclusion engagement. Through well-built and meaningful relationships both internally and externally, I've been able to advance programs and Uber's efforts while working in close collaboration with the many talented folks from the people program areas such as human resources, talent recruitment, analytics, marketing, communications, and branding to enhance [diversity and inclusion] throughout Uber.

Coleman came to Uber from Hilary Clinton’s Presidential campaign as the first ever chief of diversity and human resources officer for any presidential candidate. He spoke of enabling diversity and inclusion at Uber as a journey and not something that would happen overnight. Based on the ideals developed with new CEO, Dara Khosrowshahi, and within the company Uber set two objectives as their focus:

1) To focus on inclusion Uber was making sure they were fostering an environment in which everyone is welcome—an Uber where we focus on inclusion that centers on both belongingness and uniqueness

2) Uber created a four pronged intersectional approach:

- Individuals: We want employees to feel an increased sense of belonging at Uber.
- Systems: We want to see a dramatic increase in diversity through every stage of the recruiting pipeline (not just top of funnel) and ensure that all employees are supported.
- Leadership: We want leaders at every level to understand why diversity and inclusion matters and amplify the message throughout Uber.
- Citizenship: We want to be good corporate citizens and plant seeds that will yield meaningful benefits once we’ve achieved our goals.

With those long term goals Uber also pursued diversity events and engagement to improve their standing. Beyond that internally within the company Uber worked to reach pay
parity for women and minorities who had likely been discriminated against before in reviews (Brew, 2017). Oddly Coleman left the company shortly thereafter and a new chief of Diversity and Inclusion was hired in January 2018. Separately Uber has launched several programs to increase diversity among drivers. One of particular note is their ongoing drive to train and register women drivers in Saudi Arabia now that is legal for women to drive there.
Chapter Three

Continuing Challenges at Uber

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). Uber also removed the

However in May 2018 Uber also was identified in a new lawsuit. A former engineer, Ingrid Avendano, sued the company alleging co-workers sexually harassed her multiple times during her employment with Uber and human resources failed to act or resolve her complaints. Ms. Avendano’s story is very similar to Ms. Flowers though she was with Uber for three years from 2014 to 2017. Even though she was praised for her work she was denied pay raises and promotions in retaliation for reporting the sexual harassment she experienced within the company. In one targeted incident an engineers alleged at a recruiting event that Uber was a company where women could sleep their way to the top when Ms. Avendano was in attendance. Nothing was done with her complaints by human resources and months later at at several events that same engineer directly claimed Avendano only got her job at Uber because she slept with
someone. In another incidents a senior engineer touched her thighs at retreat and made repeated sexual advances and on separate incidents male co-workers often commented on her physical appearance (Wakabayashi, 2018).

Regardless of her continued sexual harassment that incident that led to Ms. Avendano departing from Uber was challenging the fact that Ms. Fowler’s harasser would not be punished. She went directly to Uber’s Chief Technology Officer to make clear they were creating a hostile work environment. She was reprimanded for “throwing senior officials under the bus” and denied any pay or advancement resulting in an abnormally low pay for her position according to human resources. Ms Avendano’s lawsuit alleges that Uber’s human resources failure to resolve her complaints displayed an entrenched disregard for the rights of women employees at Uber. She was previously one of three named plaintiffs in a class action suit against Uber over discriminatory practices in pay against minorities and women, which settled for $10 million United States dollars, but opted out to bring this separate lawsuit concerning sexual harassment as well (Wakabayashi, 2018).

Uber continues to have major issues with sexual harassment exposed in the media but the social impact seems to be diminishing under the new leaderships methods of engagement. However a week prior to the announcement of Ms. Avendano’s lawsuit Uber removed the mandatory arbitration for customers, drivers, or employees who brought sexual assault or harassment claims against the company allowing for open court cases. In an effort to be more transparent Uber announced their intention to establish a database of such incidents. Uber also announced the removal of confidentially and non-disclosure agreement involving such cases. Though Ms. Avendano’s lawsuit was highly visible it had less impact since it was the direct result of Uber’s earlier decisions (Griffith, van Esch, and Trittenbach, 2018).
Chapter Four

Recommendations

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).

In an earlier paper I discussed how Uber would benefit from an active program to redevelop their company culture. Uber’s Diversity and Inclusion did train 1000 employees prior to Coleman’s departure but there was a haphazard approach in place (Brew, 2017). 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. (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 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. (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. Ms. Flowers and Ms. Avendano’s experiences at Uber are perfect examples of allowing a toxic culture to flourish without challenge. It requires accountability to improve the toxic workplace (Mattice and Lucas, 2017).

In addition to training current employees to not engage in discriminatory behavior Uber has to continue its diversity recruitment drive and on a global scale. Beyond seeking women and minorities at standard technology focused universities Uber needs to also consider smaller schools that focus on their demographics. Uber has contributed $3 million United States dollars to science programs for youth to grow into engineers but there are accessible pools for hiring already available. Uber also needs to look at their current global employment structure and consider exchange programs to increase multiculturalism globally within the company.
References


