

Case Study

Uber: In the Median or Back on the Road Again?

When you think about CSR and sustainability, you probably *do not* think about Uber. Instead, you probably think of the appalling press it has received over the years, which prompted the #deleteuber tag circulating on social media. Uber has been burdened with so many scandals that researchers and reporters created timelines, overviews, and even a website to document them. Many have looked to Uber's founder and former CEO, Travis Kalanick, as the potential wellspring for these scandals. Kalanick established a toxic, win-at-all-costs, "tech bro" workplace. In 2017 he was forced to step down as CEO following several scandals, and at the end of 2019 Kalanick stepped down from the board.

Enter Dara Khosrowshahi. The current CEO of Uber has had his work cut out for him. He made it clear that Kalanick would not be involved in the day-to-day running of Uber. He stressed that he would work to clean up the company's image and transform the culture under his leadership. Even the circumstances surrounding the appointment of a new CEO were scandalous. Khosrowshahi was not originally a front-runner in the hiring process. In fact, one firm promised to drop a lawsuit against Uber if it appointed an alternative, favored front-runner as CEO (which many on the board saw as blackmail). This action caused support for this front-runner candidate to switch to Khosrowshahi, ultimately leading him to become CEO.

Years after his appointment, Khosrowshahi led an effort to replace Uber's fourteen corporate values in 2017. The U.S. attorney general and his law firm recommended this action following an investigation of Uber's internal practices. Many believed that the original values encouraged, reinforced, and justified unethical behavior at all organizational levels. These values included vague platitudes like "superpumpedness," "always be hustling," "toe-stepping," and "champion's mindset" that seemed to encourage conflict and unethical behavior. Khosrowshahi noted that Uber's culture needed to change from one that embraces growth no matter the cost toward one that embraces responsible and sustainable growth. To accomplish this, Khosrowshahi elicited submissions of replacement values from more than a thousand employees, which were voted on more than twenty thousand times by employees at the company. He also commissioned twenty workgroups to help define and refine them. The new values are direct and leave little room for interpretation, including: "We do the right thing. Period." "We celebrate

differences...ensure people of diverse backgrounds feel welcome.” “We value ideas over hierarchy.” This approach was interesting because it started with the people. Often, when CEOs assume power, they set the values themselves and transmit them from the top down. However, critics have suggested that changing values on paper is not enough. As Fred Perrotta (CEO of Tortuga) commented, “Your values are what you live, not what you write.” Values in many ways underlie organizational behavior, leading people within organizations to attract, select, and retain people who fit with those values. Therefore, Uber needs to put into practice what it writes on paper.

Although Uber has made steps in the right direction, image is everything. The data shows that Uber is still struggling with its reputation and image. Brand sentiment is still low, and it is still struggling to win back customers. However, there are some wins to be found. For instance, Uber’s current value of diversity and inclusion may have led the company toward its perfect score on the 2020 Corporate Equality Index. Furthermore, Uber has made efforts to establish and continuously improve CSR initiatives. Its competition, Lyft, continues to outshine Uber in its CSR-related communication and messaging, which is incredibly important for reinforcing the values to consumers. It is unclear whether Uber will regain traction or yet again spin out. However, Uber’s case makes it abundantly clear that leadership and values play a vital role in CSR. Employees need to be actively engaged to realize CSR goals fully. Employees and managers alike need to recognize that core values become a part of the company’s DNA and the DNA of the people who comprise the company.

Questions

1. what the connection between Uber’s values and its employees' past and future (un)ethical behaviors at work is?
2. Do you expect some personality traits to make some people more prone to behave unethically at Uber?
3. Was hiring a new CEO and altering Uber’s values meaningful enough to change employee behavior at Uber?
4. Are corporate values critical to Uber when hiring new executives, new managers, or new employees?
5. consider situational factors when evaluating observable personality traits. Policies, practices, and even events can make situations strong or weak, changing the display of (un)desired personality traits.

Was the company-wide initiative involving all Uber employees and creating the new corporate values enough to encourage or dissuade certain behaviors?

6. Will any unintended effects result from involving the entire company in the value revision process?