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● ● ● CASE 3-1 YOU CAN'T GET THERE FROM HERE: UBER SLOW ON DIVERSITY

Established in 2009, Uber provides an alternative to taxi cab service in 460 cities and nearly 60 countries worldwide. The trick? Their mobile application for smartphones allows riders to arrange for transportation with drivers who operate their personal vehicles. A dual rating system (drivers and customers rate each other) serves as a quality control device keeping Uber standards high.(1)

As an international technology firm, Uber has been challenged, along with other tech giants like Google and Twitter, to demonstrate that they are attuned to the specific needs of their employees, more specifically people of color and women. In Uber's own words:

At Uber, we want to create a workplace that is inclusive and reflects the diversity of the cities we serve: where everyone can be their authentic self, and where that authenticity is celebrated as a strength. By creating an environment where people from every background can thrive, we'll make Uber a better company—not just for our employees but for our customers, too.(2)

Yet actions speak louder than words. Uber employees describe the firm's work environment amid some managers as Machiavellian and merciless. Many blame Travis Kalanick, Uber's founder and former chief executive, for establishing such a negative culture. Uber's fast growth approach to the market has rewarded employees and managers who have aggressively pushed for greater revenues and fatter profits at the seeming cost of human dignity.

For example, Uber has had its share of troubles addressing issues of sexual misconduct and workforce diversity. These issues came to light when a former employee, Susan Fowler, reported in her personal blog that she was being sexually harassed by her manager and that human resources had been informed of these infractions.(3) Susan Fowler said in her blog:

On my first official day rotating on the team, my new manager sent me a string of messages over company chat. He was in an open relationship, he said, and his girlfriend was having an easy time finding new partners but he wasn't. He was trying to stay out of trouble at work, he said, but he couldn't help getting in trouble, because he was looking for women to have sex with. It was clear that he was trying to get me to have sex with him, and it was so clearly out of line that I immediately took screenshots of these chat messages and reported him to HR. (4)

Uber's first reaction was to call Ms. Fowler's accusations as "abhorrent and against everything Uber stands for and believes in."(5) Ms. Fowler purported that her manager was not punished because he "was a high performer"; yet other female employees reported similar incidents with the same manager, leading Ms. Fowler to believe that HR was covering up for her manager.

Uber was in trouble as more and more scandals emerged and they quickly took the following actions: (a) apologized for some of their managers' actions, (b) had a board member and several female executives provide testimonials on the firm's positive work environment, and (c) began to probe workplace policies and procedures.

Arianna Huffington, a board member, repeatedly labeled new employees as "brilliant jerks."(6) Huffington said that this investigation would be different when Eric H. Holder Jr., the former United States Attorney General (as well as some others), were hired to conduct their investigation.

Uber released its first diversity report on March 28, 2017, one month after these allegations. This report indicated that women and nonwhite employees are underrepresented at the firm, not overly dissimilar from other technology-

based firms. Some of the most egregious statistics include: (a) racial configuration—6% Hispanic, 9% black, 50% white, and (b) 85% of all technology jobs are held by men, with a mere 36% of the total workforce comprised of women.(7)

Liane Hornsey, Uber's chief human resource officer, acknowledged, "We need to do better and have much more work to do." (8) Here are Uber's next steps:

We're dedicating \$3 million over the next three years to support organizations working to bring more women and underrepresented people into tech. This year, our recruiting team is also embarking on a college tour to recruit talented students at colleges across the country, including a number of Historically Black Colleges and Universities (HBCUs) and Hispanic Serving Institutions (HSIs). Our employee resource groups play a huge role in all our recruiting events that are focused on hiring women and people of color at Uber.

In recruiting, we've updated our job descriptions to remove potentially exclusionary language, and we are running interview training to make our hiring processes more inclusive for women in tech. We're also rolling out training to educate and empower employees, covering topics like "why diversity and inclusion matters," "how to be an ally," and "building inclusive teams." Training is not a panacea, but educating employees on the right behaviors is an important step in the right direction.

This is just the beginning of our efforts. Whether you're a veteran returning from service or a person with a disability and regardless of your religious beliefs, your sexual orientation, your gender identity, or the country you call home, at Uber, we want to create an environment where you can be yourself. By deepening our commitment to diversity, we will strengthen our business and better serve our customers in over 450 cities in more than 70 countries. (9)

Only time will tell if this fast growth firm can manage its aggressive culture and diversity as it continues to expand into new marketplaces and those with differing cultures.

Questions

1. Susan Fowler's complaint of being the target of sexual harassment by her manager would be categorized as falling under which employment law?
2. Which type(s) of harassment was Ms. Fowler exposed to?
3. What actions, if any, has Uber taken to limit their liability relative to sexual harassment charges?
4. Uber's diversity report indicates that 36 percent of Uber's workforce is made up of women (15% in technical jobs); 50% of Uber's employees in the United States are white, while 9% are black and 6% are Hispanic. Are they in violation of any EEOC and Affirmative Action laws?
5. Why does diversity matter in general and more specifically to Uber?
6. What benefits and challenges does Uber derive from a more diverse workforce?

References

- (1) Anderson, A. (n.d.). Uber International C.V. *Hoovers*. Retrieved April 4, 2017, from <http://0-subscriber.hoovers.com.liucat.lib.liu.edu/H/company360/fulldescription.html?companyId=16340100000000>