Uber Sexual Harassment

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**Introduction to Uber’s Sexual Harassment Dilemma**

Uber is an internationally operating, multi-billion-dollar company operating a mobile application which facilitates ride-sharing. Founded in 2009, Uber has experienced explosive growth over the past few years. This growth drove demand for technical employees at Uber’s headquarters in San Francisco. In November of 2015, Susan J. Fowler began working for Uber as a site reliability engineer. In the following months, Fowler would realize that the company she was once excited to join was one she wished she had never set foot in.

Fowler had just finished her two weeks of training and joined her work team. On her first day on the team, Fowler received a string of messages from her manager, AG Gangadhar, via the company’s chat program. In these messages, Gangadhar told Fowler that he was in an open relationship and was looking for women to have sex with. He said he tried to stay out of trouble at work, but just couldn’t help himself. Shocked by the blatant sexual advances on her first day, Fowler immediately took screenshots of the messages and sent them with a report to human resources (Fowler).

**Susan J. Fowler and Uber’s Initial Reaction**

Their response was not what Fowler expected. Human resources said Gangadhar was a top performer, and that since this was his first offense they felt that a warning would be an appropriate consequence. Human resources acknowledged that the chats were harassing and propositioning Fowler, but claimed that it was just an innocent mistake on Gangadhar’s end. Fowler was provided with two choices: find another team or stay on the team but understand that her performance evaluations from Gangadhar would most likely suffer. She was told that these poor reviews would not be considered retaliation since she was given the option to leave the team (Fowler).

Fowler wanted to stay, as this was the field she was knowledgeable and comfortable with, but she did not want to face retaliatory performance reviews and continued harassment. Fowler found a new team after a few weeks. She performed well under this team and was happy with her job for the following few months. She formed relationships with other female engineers, and was surprised when many of them disclosed they had faced sexual harassment in the workplace as well (Fowler).

It turned out that numerous employees Fowler talked with had been harassed by and reported Gangadhar, some before she had joined the company, contradicting HR’s claim that this was his first offense. He was reported again for harassment, and the employee was told once again that this was his first offense and he would be given a warning (Fowler).

Fowler and other employees who had reported Gangadhar decided that something had to be done, and scheduled meetings with human resources. In each meeting, the women were told that their incident with Gangadhar was the only one that had been reported, and that no one else had come forward so no action could be taken (Fowler).
**Fowler’s Further Interactions with Human Resources**

Fowler continued to encounter situations where she was treated unfairly, and faced ramifications for reporting these instances. She was given stellar performance reviews, but then denied a transfer because of undisclosed performance review issues. At her next performance review meeting, she received a high rating, but then it was changed to a lower one afterwards. Fowler continued to receive sexist emails and faced issues within the company despite her performance (Fowler).

Fowler continued to email HR and report issues as they arose. She was called into meetings with human resources, where she was told that she might be the problem because she was the common factor in all the complaints submitted by her. Her manager threatened to fire her for reporting things to HR. When she reported this to HR, they acknowledged it was illegal, but her manager was a high performer so he faced no consequences. Fowler left the company shortly after (Fowler). She later wrote a blog post detailing her time at Uber, which led to the current PR situation Uber is facing.

**Rape in India**

In 2014, a New Delhi, Indian woman was raped by her Uber driver at the end of her trip. Her driver was convicted and is now in prison. The Indian government looked into Uber’s background check policy at the time, and temporarily suspended Uber from operating in New Delhi (Swisher). While Uber was apologetic in the public eye, sources revealed that Eric Alexander, Uber’s president of the Asia Pacific region had ulterior motives.

Alexander believed that the rape could be a setup, coming from Uber’s competitor Ola. He somehow obtained the rape victim’s medical records to verify that the rape had indeed occurred. (O’Brien) After obtaining these records, Alexander showed them to numerous members of Uber’s c-suite, including CEO Travis Kalanick and senior vice-president Emil Michael. Alexander kept ahold of the victim’s medical records for months before they were destroyed (Swisher).

**South Korea Escorts**

In 2014, Uber CEO Travis Kalanick, his then girlfriend Gabi Holzwarth, Emil Michael, and five other employees visited a karaoke bar in Seoul, South Korea. At this bar, escorts wore numbered tags, so patrons could pick out their favorites. Emil Michael was one of the four Uber managers who picked a numbered woman. This bar was known to be an escort-karaoke bar. An unnamed female marketing executive present at the outing felt uncomfortable and left, looking visibly upset. She reported this incident to human resources chief, but it is not known if any consequences occurred as a result of this incident. Gabi Holzwarth reported getting calls from Emil Michael when news of this broke. Emil Michael asked her to not speak to reporters and pretend like it was a normal karaoke bar that they had attended (Solomon).
Other Key Players

Numerous managers and executives are to blame in this scandal, especially the CEO of Uber at the time. Travis Kalanick, Uber’s CEO until June 2017, was either made aware of the aforementioned incidents or was directly involved in them. While there is no proof that Kalanick specifically knew of all the sexual harassment cases, responsibility can still be pinned on him. It would be difficult to believe that an involved CEO at a smaller company (which Uber was at the time) would not notice or help shape the prevailing corporate culture. Additionally, Kalanick was involved in the Indian medical record and South Korea escort-bar scandal. Kalanick has faced controversy for a number of other behaviors and was eventually forced to resign from his position as CEO of Uber.

Kalanick was also responsible for setting the overall HR strategy within the company. Sources suggest that Kalanick felt the purpose of HR was to recruit new employees, not manage relationships with current ones. There was not even an official head of HR until Renee Atwood was hired in 2014. During the first half of 2016, Uber only employed ten HR representatives for a company with over 6,000 employees (Bhuiyan). Atwood requested to directly report to Kalanick, but this request was declined and she was only allowed to report to Ryan Graves, then head of operations, who has since stepped down from his position (Weinberger). Renee Atwood left Uber in late 2016, and Liane Hornsey stepped in as the new chief of HR. Hornsey said that Susan Fowler’s blog post shocked her, and that the issue of harassment had never come up in front of her (Flynn).

Summary

Susan Fowler’s blog post rocked Uber and the technology industry. Her recollections of sexual harassment, Uber’s reaction to these her reports, and the following controversies have created an ethical dilemma for Uber. The situation led to increased scrutiny by local governments and the public eye. Investigations have been launched into the controversy, twenty employees have recently stepped down or been fired, and some employees are even facing lawsuits.

Hosmer’s Moral Reasoning Process (HMRP)

Professor LaRue Hosmer developed a framework called Hosmer’s Moral Reasoning Process. This framework can help individuals make better ethical decisions in business. This process consists of identifying the moral problem, finding additional facts, thinking about available alternatives, identifying personal impacts, applying the three moral frameworks, and coming to a conclusion.

HMRP Step One: The Moral Issue

The moral issue in a situation like this can be best found by asking who has been harmed, and how bad that person has been harmed. There will always be someone on the losing end of a deal, but this does not mean that it is always moral. If the losing party is vulnerable and unable to
protect themselves particularly well, it can generally be classified as a moral issue. While there were numerous unethical infractions at Uber, the moral issue can be summed up in the following statement (Fort 65).

As an innovative and quickly growing technology company, Uber had the chance to make a difference for both the communities they served and the corporate employees they brought on. Uber could have followed or exceeded industry standards of promoting diversity and inclusion of minorities in the workplace. There are laws protecting employees against sexual harassment in the workplace, prohibiting retaliation for reporting harassment, and protecting individuals’ privacy (EEOC). In the case of Uber’s sexual harassment, a vulnerable minority group was sexually harassed, and their reports of this harassment were disregarded. Uber also violated privacy rights by viewing the rape victim’s medical records. Travis Kalanick and the rest of Uber’s management team were aware of many of these issues and chose to do nothing about them until the media uncovered them. Uber had the choice of firing the employees accused of sexual assault and supporting their victims. Uber can now restructure their management and institute a change or continue to let the culture that promotes and allows sexual harassment to carry on.

**HMRP Step Two: Additional Facts**

When finding additional facts, people tend to look for sources that confirm their biases. In this step, it is important to search for a number of sources presenting both sides of an argument (Fort 66). In this paper, additional facts will consist of information that the decision maker did not know at the time of the decision.

**The Blog Post**

On February 19th, 2017 Susan J. Fowler published her blog post detailing her experience at Uber during her short career. Her post quickly caught international media attention, and by the next day Uber scrambled to damage control. Uber hired former US Attorney General Eric Holder and Tammy Albarran, both partners at the Covington & Burling law firm to investigate the claims. Board members, lawyers, and the chief of HR were also involved in the investigation (Gay).

**Amit Singhal**

On February 28th, 2017, Uber fired Amit Singhal, then SVP of engineering after discovering he had left his career at Google after sexual harassment allegations. Uber claimed that they had performed the appropriate background checks at the time of hiring and he had not disclosed these accusations (Isaac).

**Future Investigations**

As media attention grew around Uber for a number of other controversies, more stories began to surface. The stories regarding the Indian rape victim and the South Korean escort bar
incident made their way to the media. Uber hired the Perkins Coie law firm to conduct an investigation into the claims of harassment, discrimination, bullying, and other concerns. Perkins Coie uncovered 215 employee complaints, 54 which were related to discrimination, 47 sexual harassment claims, and 45 resulting from unprofessional behavior. Uber took action on 58 of these reports. Uber also hired Harvard business school professor Frances Frei to conduct manager training (O’Brien).

In June of 2017, reports surfaced that Uber had fired 20 employees; mostly managers and executives. Eric Alexander, the executive who obtained the rape victim’s medical records was fired. Other employees fires included marketing chief Jeff Jones and finance chief Guatam Gupta. Later on in June, Eric Holder and his law firm release a report detailing his recommendations for the company in the future. These included limiting the alcohol budget and developing clear guidance on workplace relationships (Gay).

At the end of June 2017, Uber announced a “180 days of change” campaign aimed at reshaping the company’s public image (Choudhury). The next day, Travis Kalanick was forced to resign from his position as CEO by Uber’s investors.

**HMRP Step Three: Available Alternatives**

Although the preferred choice would be for Uber to constantly update and monitor their policies and governance over employees, the company failed to do so. Uber had some choices to think about that would guide where the company would go in the future.

**Alternative 1: Uber makes changes to Senior Leadership**

With changes to Senior Leadership, Uber can find members that are more than willing to live up to company and society values. The new members would be able to steer the company in a new direction that could benefit many. While this is costly and will take time, if the right people are chosen they will have the ability to make a large impact for the company. They can try to create a new atmosphere that fosters openness and growth rather than the aggressive and rule bending one they have now. The new leaders will have the ability to allocate power and responsibilities that they think is fitting for the company’s future goals.

**Alternative 2: Creating tighter controls and more internal monitoring will allow the company to make sure managers and employees do not act out of line and if they do they will be fired**

With tighter controls and a more involved employee base, new rules can be set and things will go more smoothly. Uber can revise their strategy and make an employee credo that everyone lives by. It will take time to implement new policies, but it will allow for people to be more comfortable in the workplace. The company can take more advantage of their Human Resources department by having them actively engage in the welfare of everyone else. Uber failed to listen to the reports and filings of the current employees and faced backlash for it. With new controls the company would be able to monitor the workplace environment and take reports to HR in a serious manner.
Alternative 3: Deny allegations and continue running company like they are

The final alternative for Uber is to forget about what employees have said and reported and continue running the company like they are. This would be the easiest alternative for the company since they will not have to make any changes in management or strategy. They can continue to take complaints and risk that the public eye won’t notice or care. By doing so, the company can keep running and try to improve profitability.

HMRP Step Four: Identify Personal Impacts

Uber’s executives are all responsible for the internal issues it has faced in the recent months. All of Uber’s executives understood the internal issues and while there were obvious alternatives to be had, they were reactive instead of proactive in doing so. While there are numerous stakeholders, shareholders and executives involved in Uber’s sexual harassment issues, Travis Kalanick, the former CEO of Uber is the man most responsible for Uber’s downfall.

Newspaper Test

The newspaper test asks the responsible person if he or she is comfortable with having the issue being reported in a newspaper such as, New York Times, Wall Street Journal, or any other important newspapers. The importance of the newspaper test is to have the responsible person think about how his or her action will look to the outside world. The newspaper test aims to clear any possible self-deception through making them justify their actions to the outside world.

As the CEO of Uber and therefore the person responsible for Uber, Travis Kalanick should have taken charge of the issues at hand; however, he did not and ultimately faced the newspaper test when Susan Fowler posted her blog on February 19th. If Travis Kalanick had considered the newspaper test, he would have done whatever he could to make sure that he got to the issue before the outside world did. He would have set up preventative controls so that employees reports would be acted upon and managers would not be given a break for egregious acts.

Loved One Test

Yale professor, Amy Chua interviewed several executives around the world and one response caught her attention. The executive stated that he would never be able to tell his family what he really did during his work day and if you are unable to tell your family what you do during the day because you are embarrassed, scared, etc. then there is most likely a problem with what you are doing.

Travis Kalanick had a girlfriend from 2014-2016. The two were very involved as Kalanick helped his now ex-girlfriend fight off eating disorders at the time the two were together (Haney). It is obvious that Travis Kalanick would not have wanted his own girlfriend to know of
the sexual harassment claims going on inside his own company. If he had enacted the loved one test on himself, he would have seen that his actions were unethical and needed to be changed.

*Tombstone Test*

The tombstone test asks the responsible person what they want to have said on their tombstone. It asks the person what kind of a person do they want to be remembered as. It aims to come up with a way that should rule a person’s actions, at work, home and in between.

Travis Kalanick should have been remembered as the person who beat the yellow cabs. He revolutionized the way we travel in our daily lives and used technology to solve a daily pain point that was felt by everyone around the world. However, he will not be remembered as such due to him having to resign due to sexual harassment claims. If he had thought of the tombstone test, he would have done everything in his power to make sure that the issue gets resolved so it does not hurt his legacy.

**HMRP Step Five: Apply Three Moral Frameworks**

*Shareholder Theory*

Shareholder theory focuses on the legal responsibilities managers have to shareholders, with the main responsibility being to maximize profit (Fort 87). While profits get the most attention from shareholders, there are many non-economic directives that can be pursued as well and depending on the size of the company it may be relatively easy or hard to carry out these directives. In Uber’s case, the company was so heavily focused on growth and generating revenue that everything else was ignored until it blew up in their face. The toxic culture within Uber, which caused sexual harassment to become pervasive, is ultimately harmful because it impacts the work that is being done, which is detrimental to the company’s value and the shareholders.

*Lawful Economic and Noneconomic Directives*

Economic directives focus on corporate actions that create profits and value for shareholders. Noneconomic directives are much broader and focus on things that may not directly make the company money. Professor Fort gives an example that a small business may choose to donate money to a charity (Fort 87-88). Noneconomic directives may cost the company money in the short-term, but in the long-term increased goodwill and an improved reputation may bring the company more business thereby making it more money than had it focused solely on profits and ignored building its social capital. Yet, the difficulty in measuring such attributes makes it challenging to know if a company’s noneconomic directives are actually having a positive impact on the company’s bottom line.

Uber is focused solely on its economic directives and is ignoring everything else. All that is important is to make the company bigger and transform their massive losses into profits. The flaws of this strategy, however, are beginning to appear. The failure of managers to properly
handle the numerous reports of sexual harassment may cause the company more legal problems down the road, in addition to damaging its reputation.

**Short-Term Perspectives**

The short-term perspective focuses on maintaining profitability. While Uber is still producing massive losses, its current approach has led to it becoming the largest ride sharing company in the world. Therefore, in the short-term Uber should continue with the status quo. The cutthroat environment does not seem to have damaged the company’s ability to expand and compete with its rivals. Their current strategy, while producing heavy losses, is seeing them inch towards profitability (Balakrishnan).

**Long-Term Perspectives**

An investor looking in the long-term, however, may feel differently about their strategy. There is no guarantee that Uber will be able to maintain their current strategy. A report from Eric Holder recommended a number of changes, that if implemented successfully, will drastically change Uber’s culture (Marinova). Such changes may dim the company’s competitive environment and impact its ability to compete, allowing rivals to eventually catch up and surpass them. In addition, investigations into sexual harassment has led to several employees being fired (Noguchi). The numerous allegations combined with the dismissal of employees leads to instability which can affect decision making, making it more difficult for Uber to maintain its position as an industry leader.

On the other hand, if Uber changes and can prove that it has changed for the better, it can rebuild its reputation and regain its trust with the public. The difficulty in measuring these metrics, however, may make managers reluctant to focus on them. Yet, despite the challenge in trying to improve the company and its image, it would likely be a worthwhile endeavor and help secure the company’s long-term future as a leader in the ridesharing industry.

Friedrich Hayek, a proponent of the Austrian school of economics, argues that trade thrives when people and companies abide by virtues. Abiding by a common set of virtues increases trust and makes it easier to conduct trade, thus increasing economic growth (Fort 90). If apply Uber was to apply this viewpoint, then they would likely have fewer problems within the company.

**Hard Trust**

According to Fort, hard trust is created when companies follow the law and standards. If they fail to follow the law, they can be punished (Fort 202). Since Uber has more than 15 employees, Title VII of the Civil Rights Act applies to them. This law prohibits sexual harassment in the workplace. Uber's failure to abide by Title VII demonstrates a lack of Hard Trust. It is the simplest of the different types of trust and should be abided by because it is just following the law. If a company has trouble following Hard Trust, then future problems will arise like they did with Uber.
**Stakeholder Theory**

The originator of stakeholder theory, Ed Freeman, states that “all stakeholders should be treated as an end and not as a means to an end” (Fort 113). Freeman argues that stakeholders are not only employees, but also people in the community or anyone affected by a company’s actions. He argues that businesses should consider all the possible stakeholders before making a decision.

**Rights**

Rights is the first element of stakeholder theory. Patricia Werhane, known for creating this element, states that humans have basic rights and nonbasic rights. The first is “something without which life would be intolerable” (Fort 115) while the latter is something people should have but the absence of it would not put their life in danger. Basic rights are very important as they pertain to things such as having water, food, and shelter.

In the case of Uber, the company violated Susan Fowler’s basic rights. Even though one might think a workplace culture is something that would not put somebody’s life in danger, it can have a great effect on them. She has the right to an income which will allow her to purchase food and shelter. That right has been violated since in her workplace she was made very uncomfortable which could lead to her quitting and not having any income. This is a problem Uber can fix and needs to since it has violated many employees’ rights. Uber has made the work environment hostile, especially towards females, and their workers have the right to work somewhere that they are comfortable and not scared of having to face harassment or humiliation.

**Justice**

Justice takes into account the elements of fairness and equality. People with equal talents and equal opportunities should be paid the same. American philosopher John Rawls states that “people want to be treated fairly” (Fort 117). If people with equal talents and equal opportunities should be paid the same, then the same people should also be treated the same too. Companies should not forget to treat these people fairly.

Uber happened to fall short on this point. The company is one of the most popular names in start-ups right now and has drawn a lot of attention and talent to itself. They have recruited top talent to work for them but failed to honor some employees. In the case of Susan Fowler, she was very qualified and if not more so that some of her coworkers. However, she and others were not treated equally within the company. A lot of the women had to face the sexual harassment from upper level employees. HR never treated them as if they would want to be treated. They did not follow through on the reports and let the managers slide even when they had done these things in the past. It became a large problem since the managers kept getting away with it while the female workplace population continued to decline as time went by.

Another aspect of justice is that there are the stakeholders most vulnerable to a company’s actions. The company should do whatever they can to avoid bringing harm or danger
towards them. Uber affected these employees by allowing their boss or others in the company say and do what they wanted to female employees. They did not recognize or actively help those that were vulnerable and hurt.

**Utilitarianism**

Utilitarianism is the final framework of stakeholder theory. Fort defines utilitarianism as “the greatest good for the greatest number” (Fort 120). This is something that companies should strive for. By providing the greatest good for the greatest number people feel valued and that the company cares about them and the work they do is meaningful. One could argue that Uber performed to its highest level in this. They provided people with jobs and let them work on exciting projects that made the news. They allowed customers to travel from destination to destination in a cheap and convenient manner. However, while there was a lot of good, the greatest amount of good was lacking. The employees who were sexually harassed were not able to achieve this good. They were treated as less than an employee or even a human as their reports were not acted upon. The company failed to act properly to bring this good to their employees. Other stakeholders became outraged about Uber’s workplace environment and some have even boycotted the service. Uber will need to realign their strategy and make amends to their stakeholders.

**Real Trust**

Real trust is defined as “aligning rewards and incentives, about garnering the confidence of stakeholder because you keep your word, tell the truth, and produce high-quality goods and services” (Fort 204). It is about doing what you have said you will do when times get hard or situations arise. In this case, Uber had trouble living up to their real trust. While there are no authentic sources on what the company’s values are, most would assume that respecting people and treating them fairly would be something everyone follows. The company went to extremes to exploit this. By having employees not take actions on claims, they did not live up to what was believed of them. Employees knew the behavior was toxic and wrong but only a few did something to stand up to it. And when the pressure came on Uber about these allegations, the company denied some of them and had to hire external firms to look into it. Uber had a lot of trouble putting their money where their mouth is and living up to values and traits everyone would expect a company to have.

**Virtue Theory**

The virtue theory framework focuses on a company’s set of virtues and then apply them to their business. These virtues are then used to guide the actions the business takes. According to Professor Fort there are a few ways to implement the virtue theory framework. The first method is by looking to philosophers such as Aristotle or Robert Solomon. Another method is to look at a company’s list of virtues, which are typically found in a mission statement. The last method is to have a group select a number of virtues and vote for the ones they deem the most
important. Afterwards, the virtues relevant to the situation need to be selected and defined. It is not enough for a company to list their virtues, they need to actually apply them (Fort 127-128).

Uber does not currently have a list of virtues that it aims to follow, yet something as serious as preventing sexual harassment should not need to be enforced by creating a list of virtues. There are already laws in place, such as Title VII of the Civil Rights Act, that are supposed to be followed (“Facts”). That is part of creating a safe work environment, as well as simply respecting another human being. Uber’s drive to win at all costs has gotten them to where they are, but it has caused them to ignore anything that may slow them down.

**Philosophers**

Ed Hartman expanded on Aristotle’s view that to be a good person you must be part of a good community. Good communities teach people to be good which creates a circular system of raising good people (Fort 128). Uber’s failure to create a good community has encouraged employees to not follow some kind of a moral code, hence they end up having serious, endemic problems. There have been numerous reports of sexual harassment along with twenty employees being dismissed (O’Brien). Twenty employees being dismissed from 215 claims shows that there is a problem in Uber’s community. These claims were filed over time, but nothing was done until there was enough pressure on the company to do something about it.

Norman Bowie took Immanuel Kant’s arguments further and believed that a corporation could be a relevant moral community and empower those associated with it. He further argues that failure to follow such morals leads to bad decisions and incoherency (Fort 114). Uber has repeatedly shown a disregard for having any sort of morals that it abides by. Without something to guide employees, they begin to do things the way they want to. They make bad decisions, as evident by those who committed sexual harassment and those who turned a blind eye, in addition to the chaos that seems to reign within (Fowler).

**Mission Statement**

Uber’s mission statement is “Transportation as reliable as running water, everywhere for everyone” (Sacca). This mission statement clearly states Uber’s aim to provide transportation to everyone, whenever and wherever they need it. This is their singular aim.

**Class Virtues**

The class virtues are integrity, loyalty, honesty, innovation, sustainability, and respect. Of these virtues, Uber only has innovation. Their ridesharing app disrupted the traditional taxi driver market and has led to more ridesharing apps entering the market, as well as resistance from the entrenched taxi industry. Their innovation has made it easier for people all over the world to find transportation.
Uber, however, lacks the other virtues. The sexual harassment problems illustrate a lack of respect in the work environment, in addition to a lack of integrity since HR repeatedly turned a blind eye. This has led to an unsustainable work force because of the high rate of turnover of female employees. This contributes to a lack of diversity, and by extension a lack of fresh ideas.

Finally, the sexual harassment problem also highlighted a lack of honesty and loyalty. In the case of Susan Fowler, her performance evaluation was changed from being extremely positive to something that was probably negative to keep her on the team and they refused to tell her why (Fowler). Her performance, which was originally deemed to be great, should have allowed her to move in the company if she wanted to and to continue the Stanford program she was in, yet her manager stabbed her in the back.

Good Trust
Professor Fort defines Good Trust as “caring about ethics” (Fort 206). It is not only about following the laws and the company acting properly, but it is also about the employees and everyone within the company wanting to do good and wanting to act in an ethical manner. It is aligning all of your principles up so that people can work in an ethical manner and identify with ethical behavior. Good Trust is when a company aligns itself so that the reason people come to work there is because they have a passion for excellence and working ethically. In the case of Uber, the company failed establishing Good Trust. The company hardly followed the laws and barely wanted to act ethically. There were probably some employees that wanted to act ethically, but they were constantly overshadowed by managers pursuing achievement and taking any means necessary to get there. The company also failed to care about Good Trust by not taking action on any of the sexual harassment or improper workplace behavior claims that were reported.

HMRP Step Six: Conclusion
Defining virtues is not enough. It is necessary for a company to actually take action and implement these virtues so that every employee follows them. If Uber, as a result of their sexual harassment problems, publish a list of virtues, it would be a step in the right direction. They would still need to figure out to implement and show that they are actually moving in the right direction and eradicating a deep-rooted problem.

While Uber is at the forefront of innovation and reshaping the ride sharing business, the company had internal problems that needed to have been faced earlier. With no strict controls or continuity within HR, problems that should have been stopped were allowed to run rampant in the company. Over the course of its time, Uber failed many moral reasoning tests and broke the rules of others. They did not think of what the public’s reaction could be when the news of their bad behavior broke. They did not think of the long-term management of their employees and only focused on the short term of expanding and creating profit. They did not implement and act proactively to make sure these claims and behavior would not occur. Uber made many mistakes
in running their business but have opened the world up to some things that can go on inside a business with loose control. Uber opened the eyes of the public and will serve as a reason to why other companies should look over their policies and structure to make sure each employee is treated fairly and scandals like this cannot occur.

**Total Integrity Management**

Moving forward, Uber needs to active more proactively when dealing with internal issues. Uber had the possibility to resolve the sexual harassment issue before it blew up in their face and resulted in financial, managerial and brand losses. It needs to make sure that it creates a company culture that is willing to face these hard issues head on instead of trying to cover them up until something inevitably spills. Uber’s employees need to be able to go talk to their superiors about such issues and these issues need to make it up to the top executives of the company and be dealt with by these executives. Lastly, Uber needs to make sure that its executives are right for their jobs. Executives of such high-profile companies will always have the media’s attention when something goes wrong and Uber needs to minimize this risk by having the right people for the right job.

**Hard Trust**

Hard trust is pushing corporations to adhere to standards. An individual third party needs to assure the public that businesses will obey standards or face punishment if they do not. It is about making clear what is permissible and what is clearly not. Public opinion is of importance for hard trust today as it is very easy for a public opinion to turn against companies via internet, blogs, or television. Technology is another importance of hard trust as it simply helps prevent employees from possible unethical behaviors.

The lack of hard trust within Uber was very evident and ended up costing them a lot. Fowler wanted to voice her opinion and reported to HR; however, her manager threatened to fire her for reporting things to HR. There wasn’t a real procedure set in place on how this situation should have been handled. Companies and its employees need to understand what is permissible and what is clearly not. If any of these procedures are broken, there needs to be consequences for the parties involved.

Uber understood the importance of corporate governance and created a Chief Diversity Officer in light of the recent issues. The Chief Diversity Officer aims to make its leaders contribute to a diverse and inclusive workplace. Uber stated that it began rolling out a new coaching system for its U.S. and Canada managers (Bhuiyan). On top of this Uber has also added four senior members to its HR department which has been reportedly understaffed until today. In addition, there is a new system in place to log and track employee complaints. Uber believes that this new system will help involve all people relating to the matter and help them deal with repeated issues more effectively.

Uber understood its mistakes and reacted very fast after the news came out. They understood the importance of having procedures set in place where employees’ complaints and
issues can be reported to the HR without a manager harassing the employee. Uber’s managers, executives and HR now have all the resources available to them and with new procedures hard trust should be created within Uber.

**Real Trust**

Real trust is about the business building social capital, reputation, and goodwill through its ethical behavior. Real trust helps the business gain confidence of the stakeholders because you are truthful and produce financial benefits. Real trust occurs when employees, managers, and executives all think about the stakeholder’s interests, which are not present, during business actions.

It is easy to see that real trust was non-existent within Uber. There are instances of Uber’s top executives being seen at a Korean escort-service karaoke place and ex-CEO’s ex-girlfriend stating that when she would go to company outings, she would see a bunch of models that were “touched” by the men. These sorts of actions show that these employees did not think about the stakeholder’s interest at all.

Law firm Covington & Burling laid out a series of recommendations on how to rectify Uber’s toxic company culture. It includes using performance reviews to hold senior leaders accountable. This is very important because these senior leaders are the ones who make the big decisions that affect the stakeholders. These senior leaders need to have the stakeholder’s interests in mind when making business decisions and having a performance review for them allows for them to be responsible to their actions.

**Good Trust**

Good trust cares about ethics. A company must set up the appropriate corporate culture in order to have its employees care about its own ethical decisions. If the people do not care about ethical behavior in the first place, then nothing ethical will get done. Companies should aim to have ethics as a party of their own identity and make it a place where ethical people can come to work and build a passion for excellence. Ethics should be talked about on a regular basis and any possible ethical issues should be talked about before it blows up in their face.

Uber under Travis Kalanick lacked good trust. It is hard for a company to have good trust when its CEO is in midst of allegations and caught swearing at his own employees. Uber’s employees will not care about their own individual ethical decisions when the company they work for exhibits unethical actions one after another. Uber needs to make sure that it has an appropriate culture in place so these ethical issues can be easily talked about.

Dara Khosrowshahi, Uber’s new CEO, came into an awful situation. He was faced with saving a company that was facing internal issues on top of financial and regulatory issues from the outside world. Khosrowshahi stepped up to the challenge and sent an awe-inspiring email days after the London ban. In the email he stated that while the impulse may be to say that it is unfair, change comes from self-reflection. He talks about Uber’s bad reputation and how much it matters what people think of Uber. In this email alone, Khosrowshahi is helping mold Uber’s
new corporate culture (Bariso). Instead of being short-sighted and stupid, Khosrowshahi showed patience, emotional intelligence and above all change.

Khosrowshahi understood the dire situation Uber was in and began speaking about change immediately. After his first meeting with the company, he stated, “The company has to change. What got us here is not what’s going to get us to the next level.” On top of this he understands that Uber’s past is going to hurt its present and in order to get to a better future, changes must happen. Uber’s motto has been “disrupt first, ask questions later” and this has gotten them in trouble. Khosrowshahi stated that this motto needs to change and with a forward thinking CEO in place, Uber is in the process of creating real trust within Uber.


