Team 2 Executive Summary

Uber is a company that has seen tremendous growth in a short period of time, revolutionized the taxi industry, and paved the way for the sharing economy. However, it has been involved with major scandals in the last 2 years. This resulted in the former CEO stepping down and the downfall of Uber in the public eye. The objective is to apply MIE459 course concepts to Uber, highlight organizational issues and propose improvements through online research. The team explored Uber's strategy, organizational structure, external environment, inter-organizational relationships, organizational life cycle, ethics, decision making, conflict and politics.

Uber culture is highly aggressive, and its original core values were based on "hustling" and "toe-stepping". In addition, Uber's organizational structure is largely divisional and decentralized. This level of autonomy in managers has resulted in incoordination, loss of corporate identity, and localized scandals. Uber also employs several types of manipulative control tactics on its drivers such as providing incomplete information to drivers, so they can take on rides against their self-interests, using incentive based pay, and a strict ratings system. Uber operates in a highly uncertain environment, and through its decentralization and emphasis on growing fast, it responds quickly to changes. Uber has strong inter-organizational relationships with other companies for cross promotions and strong partnerships with charities, but is cutthroat with its competitors, employing aggressive tactics such as calling rides on Lyft and cancelling them. Uber is currently somewhere in between the Collectivity and Formalization stage of the organizational life cycle, where it is currently undergoing a crisis of delegating with control and is beginning to formalize with its large service expansion (e.g. Uber Eats) and internal processes. Uber fails heavily at being an ethical organization through its unfair treatment of drivers, HR not taking sexual harassment claims seriously, and lack of an ethics structure in the organization. We also see that decision making in Uber is highly analytical, often highly delegated to managers, and often lacking an understanding of the human element, which results in poor decisions such as the theft of Alphabet technology. Finally, we see that Uber has high internal conflict, with a high degree of vertical force being used to silence dissenters such as Susan Fowler, and high amounts of horizontal conflicts between top management.

Following the analysis, the team has a variety of recommendations to propose. Uber should continue its efforts in reducing the aggressive "hustle" culture and emphasize a culture of doing the right thing. Middle management autonomy needs to be decreased and better support should be provided for drivers. Uber needs to stop their aggressive behavior towards competitors and instead cooperate to ensure mutual survival. Uber is beginning to formalize, and the team suggests that successful growth can come with paying more attention to staff morale, continuing to infuse better leadership in the company, and focus on turning profits instead of relying on venture capital. The team proposes putting a higher emphasis on value-based leadership and putting in place a formal ethics committee and other ethics infrastructure. Finally, Uber needs to reduce conflict and politics in the workplace by decreasing the amount of hierarchical pressure and building a stronger and more coherent leadership team. The team believes that with the right organizational changes, Uber can truly institutionalize its place as the leader in rideshare.