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Guides to a changing workplace

***Flex*Bulletin #*121* – Bullying: the Cancer at the Core of Uber**

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"Uber is about as toxic as it can get in terms of places to work. There's a macho, fratty atmosphere and everyone is expected to do battle for everything. You compete against your own teammates and are forced to be an aggressive to survive and climb the ranks. Even doing things that are ethically wrong is encouraged, so long as it's good for the business/growth." -- HQ employee review, *Glassdoor*

"Work-life balance is not a thing!" -- HQ Employee review, *Glassdoor*

Frequent driver comment: "You have the ability to work whenever you want"

I spent decades building and promoting flexible workplaces in the San Francisco Bay Area, where I continue to consult periodically. I have watched the explosive growth of Uber through the lens of its unique "flexibility" offering. In scores of online reviews, its own PR and a smitten media, Uber is portrayed as a poster child for flexibility. Amidst the flood of driver feedback ranging from committed colleagues and much-needed earnings to the burden of personal auto wear and tear and unreliable reimbursement practices, a consistent chorus rings out: Uber offers control of my work hours I can get nowhere else.

I am reminded of a potential, even occasionally used survey question that was raised as telework emerged as a highly desirable option: "Would employees be willing to accept a pay reduction in exchange for the privilege of working from home? And what size cut might be acceptable?" I always thought most employees would reject such a trade as unacceptable. Even if they said yes, as many did, I figured people would say anything on a survey.

But when push eventually came to shove, I thought such an exchange unlikely. Uber has proven me quite wrong. The ridesharing colossus has demonstrated that it can mobilize a massive workforce with just such a bargain. The stunning growth of Uber may have been fueled in part by the economic stagnation and personal devastation wrought by the Great Recession. There existed In 2009 a large pool of unemployed workers, perhaps prepared to accept dependent and often disrespectful terms and conditions.

The path to harassing women begins with bullying your workforce

For decades the cultivation of a workforce of independent contractors has been an unstoppable trend. Recently the stripping away of employment-related benefits from millions of people has been enshrined in a chorus of Hosannas! for the so-called Gig economy. In a sea of independent contractors, freelancers and serial professionals, Uber stands out as Disrupter-in-chief. At its helm was a swashbuckling CEO with the boldness and audacity often found in innovators and pioneers.

Unfortunately, the Uber model was built on a foundation of abuse – bullying its drivers, many of its staff and a slice of its customers. The ugliest, most sensitive and most dramatic to call out was the sexual harassment laid at the feet of the founder and permeating parts of the organization. As a long line of thinkers ad analysts have said over the years, sexual harassment is not at its core about sex. It is a form of abuse directed primarily against women. It plays out in relationships of power, with the less powerful being most vulnerable. And Uber's despicable practices have been identified, researched, publicly decried – and concluding this week, they came to a head with investors forcing the CEO's removal (though "allowing" him, with his 40% stake, to stay on the Board.)

Women blow the whistle and are starting to exert leadership

Throughout this saga, specific CEO legal and interpersonal issues have been highlighted along with the sexual harassment charges. Yet little or no attention has been paid to more systemic economic abuses at the core of Uber's financial success and promise. As the public and media narrative has increasingly viewed Uber's problems through the gender lens, it is not surprising that female Board member Ariana Huffington and Harvard's Frances Frei as senior vice president of leadership and strategy are being seen as sources of salvation. Hopefully these very talented women will bring solutions to beleaguered Uber.

But if the analysis and action stops here, on eliminating the most odious abuse embodied in a toxic and sexually harassing environment, it will be a shame. Ridesharing competitor Lyft has been nipping at Uber's heels for several years. It has a similar business model but a more restrained leadership. It too has built its business on the same pool of flexibility-seeking workers as Uber and seems to get better marks from its drivers. But larger social question about the downsides of the Gig economy are present here. Clearly Uber's and Lyft's investors see the upside of these disruptive businesses. But who will pay in the long run the full costs of this disruption?

Who will end up paying the fare in the new Uber?

Uber's financials are unique. It has a deep-pocketed and aggressive set of investors, who have financed its explosive growth, watching it achieve stratospheric valuations while failing to turn a profit -- yet. Their demonstrated patience clearly expired when they as a group insisted that Travis Kalanick step down as CEO. They clearly do not intend to risk their investment any further. Even legendary pioneers can be sidelined.

What remains to be seen is how the newly awakened and reconfigured Board and executive leadership will address Uber's essential problems with its drivers and its general business model. A first move just announced suggests that there is likely to be more business as usual.

A central complaint of Uber drovers for years has been its "no direct tipping" policy. Modest tips can be included in the total fare, but the potential upside of cash from appreciative customers – and the customer mix includes many very happy and relaxed people who use Uber as their "designated driver" – would make a real difference in driver earnings.

So confronted with a major brand setback, a hit to driver morale and a threat to its #1 position, Uber's leaders might have done something dramatic to address core driver concerns or even offer some sort of passenger discount to show respect for its loyal customers. Instead, they chose to finally allow direct tipping. This move met two objectives: 1) it gave employees a raise, but one not paid for by the company or its investors. No, instead customers will share, indeed shoulder the burden. And 2) it will bring them in line with Lyft's longstanding tipping policy. Travis may well be pleased.

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