UBER Sustainability And Responsible Management

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Introduction

Uber Technology Inc. is an online business that does not have any cabs and has drivers operating as independent contractors to provide services to customers through the Smartphone app. It was started in 2009 by Travis Kalanick and Garrett Camp. Since then, the company has made a disruptive change in the cab transportation industry by delivering an efficient and enjoyable experience of quick response time and transfer of payment to customers. It changed the cab business from street waiting to minutes of delivery of services globally. It is headquartered in San Francisco, California, in the United States. Uber Technology Inc. operates in over six hundred and thirty-three (633) cities worldwide. Besides cab transportation, Uber also delivers food to customers in the United States and a few countries where it has established its business model.

Uber Technology Inc.'s objective is to provide technological-based transportation and take customers everywhere and every time throughout the day and night. As stated by Ommani (2011) Uber is regarded as the largest taxi company operating without having any car on their own. Uber's business model is based on the delivery of applications known as Uber app software to car owners, whereas the company does not have cars in its possession. The Company employs over 14,000 people worldwide, and the majority of its employees are drivers who do not have permanent contract job arrangements. It has offices in almost every part of the world, such as Asia, India, South Africa, China, and the United Kingdom, which makes it one of the largest companies in terms of workforce. Uber Technology Inc. is valued at USD 51 billion, and over the years, it has been voted as the best taxi company. Though other taxis have complained of unfair competition since it does not pay for other levies as traditional taxis, they have remained the most profitable with a constant growth graph since they were established.

Most importantly, Uber's products are all virtually offered to customers. It has an application that customers need to download and install into their Smartphones so that they can be able to request rides and order food delivery. Through its apps, customers are able to monitor and track the location of a cab and inform them when the car arrives. The company also offers other products such as Ubertax, which is a cheap or a low budget option for cabs; UberBLACK, where consumers can privately drive to their destination; UberPool, UberPop and UberXl. In order to expand its revenue basket, Uber Technology Inc. also delivers food and other products to customers at their homes and offices through its apps, which offer restaurants the opportunity to download and use apps to receive orders from clients.

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However, Uber's steady growth and success are creating a lot of challenges in the market in the form of legal, regulatory, technical and social obstacles. The taxi industry is making an appeal that Uber is getting an unfair advantage in the market. It does not pay for several levies since it does not have a parking lot like the traditional taxi. The company has also been accused of not taking the vetting of its drivers seriously and, therefore, creating an unsafe situation in the market. For instance, in India, there has been an accusation of rape, raising the issue of safety among Uber's customers. In addition, Uber has faced several lawsuits, some of them filed against the company by independent contractors because of low payment. Therefore, the company has witnessed challenges that require a strategy to turn it out and make the business more sustainable to meet the expectations of customers, which can drive it to profitability. Therefore, this paper intends to discuss the challenges or risks that Uber is facing in the market, its growth strategy, and sectoral actors.

Analysis Of Current Policies, Practices And Activities

Uber Operation

At the time discussed in this case, Uber was led by co-founder Travis Kalanick, who served as chief executive officer until 2017. Uber is now led by CEO Dara Khosrowshahi, who has managed the company since 2017, together with other directors and senior managers. The case materials also describe an eight-member board that had recently been expanded and had changed Kalanick's voting authority; these details should be understood as historical rather than as the company's current governance structure. In order to penetrate the market, Uber Technology Inc. has partnered with other companies to deliver efficient services to customers. For instance, the company has partnered with banks such as Softbank Investment to deliver payment services to customers. The gist of a partnership is to boost its image in the dominant market and build trust among its customers, which has proved to be working. This is because the company has experienced constant growth over the years in every market it has ventured into. It has also partnered with restaurants to deliver services to customers.

However, Uber exercises business partnerships to drive its growth in the market. It is a similar method that the company is applying to partner with tax drivers and owners. It has allowed the company to have several cabs globally without purchasing or owning any in the market.

Pricing

Uber's growth is driven by its competitive prices in the market. The company has an app that determines the prices for each destination; therefore, it does not have constant prices. This has made it edge out traditional taxis from the market since Uber suddenly became cheaper and faster in service delivery. According to (), Uber Technology Inc.'s price is calculated based on the distance covered, making it a low-cost cab. In case of price change, customers are always alerted, especially when prices are higher. Though the intention of increasing prices has sometimes been questioned by customers, the intention is to cover the increase in gas and other risk factors. The strategy of the company is to keep its prices lower and allow customers to determine prices based on distance rather than putting constant prices. This has worked well for the company because the traditional taxis have been complaining about Uber prices, trying to force the government to intervene so that Uber can have similar prices which traditional taxis. However, Uber's CEO believes that customers always want something new in the market, and in this case, prices are gifts that Uber has offered to customers. Therefore,

Products

Uber Technology Inc. provides some different unique services to customers based on the customers' preferences. Mostly, it provides its UberX, which is – a budget product. In this case, drivers are using their own cars to transport customers to their destinations. It also has UberTAXI, which is an app that links licensed taxi drivers to passengers. It offers various services based on clients' needs because some clients prefer to have a private drive on their new sedan, which is one of the high-end services it offers its clients. Therefore, the diversity of Uber's products gives more advantages in the market, and therefore, it helps in retaining clients and getting new customers for its business. Research has indicated that traditional taxi has one type of service and therefore, it is impossible for them to compete equally with Uber in the market. Therefore, Uber's product diversification drives its growth and makes it more competitive compared to other taxis in the market. For instance, Uber has launched UberRUSH in New York City for delivery of packages to customers' houses and offices. At the same time, it has also launched UberFRESH and UberEAT, which are programs for delivering meals to customers through partnerships with local restaurants to provide meals to clients within ten minutes. It has allowed Uber to diversify its products and expand its revenue base instead of depending on taxis alone, as other companies compete with it in the taxi business.

Activities

Supporting Lobby Group

It is evidence that Uber is late coming into the market, and therefore, it has focused a lot on profit-making for stakeholders rather than corporate social responsibility (CSR). However, since 2016, the company has changed its strategy and pays a lot of attention to other interests that affect society. According to (), Uber Technology Inc. has spent several millions of dollars in lobby and campaigns to support federal employees and other policies that can create an impact on the lives of federal employees. Uber has lobbied for federal legislation that would permit federal employees to travel on official business and get refunded for the transport they use. This has helped the company to create partnerships with federal government employees, hence increasing the number of its customers for the sake of growth and profitability (Dong, Christina, Julia, Edward, Anjali, & Rohit, 2014).

Uber Technology Inc. has also supported the Department of Defense (DoD) in the construction of various national security programs. In the last financial year, the company funded some programs being undertaken by the DoD and the department of Energy. Uber's policies are to champion sufficient energy, and therefore, through sponsorship of various energy programs, it would be able to assist millions of people. This will also extend the company to customers and help in building clients through programs being carried out by the partner companies.

Sustainability Strategies

Uber Technology Inc.'s long-term sustainability depends on the way it plans to manage its future risks. The company faced several risks from drivers, which could get out of control if not properly addressed. In order to be sustainable, Uber technology should provide insurance coverage to its drivers. This will able to reduce noise or legal suite against the company from its drivers because the laws which were passed recently require employers to offer insurance covers to employees. As a matter of fact, the provision of insurance will make sure that the company avoids facing lawsuits, which have been witnessed in the previous years and focus on delivery.

Training Of Managers And Drivers

It is a fact that Uber Technology Inc. has been accused of taking vetting and training its drivers seriously, and this can be a major setback if not addressed. Therefore, the company has come up with various programs to train drivers, which can help in improving driving skills. It will help reduce the risk of drivers who are negligent and bring a lot of professionalism, which is the key to success in the cab business. It will also reduce the liabilities that occur through the payment of insurance costs (Deen, 2014).

Again, there have been accusations of unprofessionalism conduct against managers at Uber Technology Inc., which can be a threat to the success of the company. Over the years, Uber has had in-house surveys that indicate that there is a gap between senior majors and juniors, which has caused several employees to quit their jobs. In order to maintain its growth and profitability, Uber must also subject its managers to training on human resources programs and business etiquette, which will help in making sure that all managers adopt professional conduct and professionalism is ejected in the way employees are handled (Milt, 2016). Without training of managers, it is likely for the company to lose its best employees to rivals in business, which can cause the company to profit. Training will improve coordination and working relations among employees and between senior managers and other employees. It will also help in improving performance since employees will be able to focus on delivery rather than problem-solving, which will never be a bigger issue after training.

Improve Competition Tactics

Uber's business model can be copied and applied by different companies in the same rides-for-hire services, such as Curb, Lyft and Sidecar. Research as indicated that several riders can emerge in the future which could a threat to the existence and dominance of Uber in the market. In addition to day competition from traditional taxis, limos, air travel, and chartered buses can be a threat to the company if the best ways to address some of the problems that customers have raised are not properly addressed. Therefore, customers' competition requires improvement safety, which has been one of the issues customers have been raising. Uber makes sure that customer's information or data are protected to avoid losing customers to rival companies. The safety improvement will benefit both the driver and customers; therefore, it will help in maintaining customers and getting new customers, which is a key to growth for the company.

Nevertheless, unpredictable demand in the market is also one of the challenges which Uber is likely to face and this could be solved with product diversification. Currently, Uber provides technology driver products, and it must be competitive in the industry where all companies compete for rates. In order to keep itself competitive and maintain its customers, Uber Technology Inc. must improve its app security and ensure that its products cannot be copied and applied by different companies easily. Last year, the company management agreed to protect the patent of its app to avoid being used unknowing with other companies such as lefty. It is also advisable for the company to invest in Research and Development (R&D) which will allow the company to improve the content of its apps (Phillips & Rohit, 2014). It will make sure that the company is on top of every other company in terms of high-end services; hence, it shall be able to maintain customers and get new customers as well.

It could be possible for the company to upgrade its database security system to minimize the risk of personal account information being accessed by third parties; the issue of personal safety and customer data being accessed by third parties have been some of the issues that clients have raised and likely to be raised by competitors in the market. Therefore, through security upgrades, the risk of being hacked will be addressed, and therefore, competitors or traditional taxis will not have any issues to bring against the company. This shall not only give the company a competitive advantage against its rivals, but it will also improve its performance in the market is likely to result in profitability.

Reformulate Uber's Culture Value

It is advisable for Uber Technology Inc. to reformulate its cultural values so that it can reflect the diversity at work and be more inclusive and positive conduct. In order to achieve the reformulation values, Uber should partner with respected and established organizations with experience in organizational change to regurgitate the values that have significant results from employees. The company should also consider redefining its values in a manner that is accessible and can easily be understood. It should also adopt values that are inclusive and can contribute to a shared environment, including putting a lot of emphasis on teamwork, incorporating diversity and mutual respect and inclusiveness as a key cultural value for the company. The research established that reformulating cultural values had been used by other values, such as Nissan and Coca-Cola, to recognize operations in some of the diversified environments to make sure that the company succeeds (Boerner, 2015). The strategy improves the condition of the working environment and also helps in creating bonds among employees; therefore, it makes employees focus on better service delivery. If Uber Technology Inc. deploys a similar strategy, it is likely to improve working conditions, which would result in the growth of the company.

Uber Technology Inc. It should take the initiative to reduce the significant number of values that are redundant or which have been used to justify poor behavior and do not help the company in its growth strategy, such as Always Be Hustlin, Let Builders Build, Toe Stepping and Meritocracy. The company should encourage top leaders to show value in their daily activities and nurture a more inclusive and collaborative culture (Kuehner-Hebert, 2015). Leaders who are able to show these values should be brought on board to be part of the process of redefining Uber's values and should be allowed to be role models in the company. All of Uber's top managers should be ready and willing to reformulate values to employees and embrace communication.

Address Employee Retention

Employees play a key role in the growth of the government, and the departure of top employees can affect the performance of the company. Therefore, significant consideration should be taken to evaluate the reasons that make employees motivated to leave the company and address vital drivers of worker turnover. Uber should also engage a prominent consultant or conduct internal studies to identify and solve attraction, which is higher than expected in the company. The method of evaluation should be agreed upon and implemented so that good employees can be retained (Clark, 2016). Research has established several Uber employee's decision to leave the company is based on employee retention, which several of them feel is not enough. Therefore, it is possible for a company to contact evaluation to identify better employees they can retain with a better salary or turnover.

Review And Asse Uber Pay Practices

It is appropriate for Uber Technology Inc. to audit and review its compliance with several state and federal laws regarding the equal pay system. The company has faced court cases against its payment system, and therefore, it is appropriate for the company to take time and audit or evaluate its compliance to make sure that compensation is issued for legitimate business-related reasons (Richards', 2015). The senior managers should permitted by the management to engage directly with outside law firms on legal issues that have been at the center of Uber controversies. The engagement will allow the company to get professional advice which will help the company to mitigate legal problems and also support in the implementation of the agreed legal issues. In order to make sure that Uber Technology Inc. appreciates the price of equitable pay, senior management and the board should be given the responsibility to oversee the process of implementation to make sure that the objectives set are achieved. This will allow the company to identify companies that should be paid and paid on time to avoid lawsuits against the company. It is, therefore, important for the company to ensure the culture of compliance is adopted by the organization and that all issues agreed upon are implemented within the time frame. Paying partners on time is also important, and it will require the company to select a few employees and put them in charge of the whole operation so they can work together with contracted lawyers to make sure the process is efficient.

Conclusion

The emergence of Uber Technology Inc. has made several services follow the Uber business concept. There are other companies that provide shared services, and there are also companies that still want to start similar businesses as Uber to deliver products and transportation models. For instance, Cargomatic Company has developed an app that can assist in filling space on trucks. The company, which operates in California and New York, is known as "Uber for truckers" because it links shippers with drivers who are seeking more shipments. This, therefore, indicates a very big shift in the industry where people are the infrastructure rather than some buildings or some fleets of cars. Uber is facing several challenges in the market which includes marketing, which include legal and regulatory issues both within and outside the United States. It is evident that most laws that protect consumers usually target taxi services, while Uber Technology Inc. has categorized itself as a ride-sharing service, making Uber an agent in the business and customers are contractors. However, several courts do not view Uber as an agent rather than a party, compelling Uber to comply with the necessary laws. In some cases, Uber has stopped operating in other areas due to strict laws that require them to get licensing, like traditional taxis.

It is, therefore, evidence that Uber must define itself differently and implement a sustainability strategy to help the company address certain challenges. Uber should therefore, invest in research so that it can be able to understand certain local laws before deciding to invest in the market. This will help the company to avoid facing legal challenges which have been rampant in almost all countries it has shown interest. For instance, it is advisable to hire the services of the local legal team to advise the company prior to investment. In order to address the challenges of untrained drivers and complaints of payment, which are part of Uber's internal challenges, Uber should train its drivers and almost improve the vetting criteria. This helps the company to address the issue of incompetency among its drivers, which has been one of the key challenges that threaten the growth of the company.

In addition, it is also essential for Uber to reformulate its cultural values so that the company can have set values adopted by the management. The company has witnessed cases of poor service delivery management gaps and a lack of diversification. This, therefore, affects the company's performance and through cultural reformulated, Uber would be able to improve working relations among its employees, which would create a positive impact on the organization's growth.

Despite the challenges that the company has faced since its formation, Uber is widely known and has grown into a larger corporation. It has become popular among independent contractors and consumers, making it a widely recognized and used cab globally. Research has indicated that supporters of Uber believe that it has revolutionized the transportation service industry and, therefore, through the implementation of the recommended sustainability plan, the company would be able to overcome the challenges it is experiencing in the market, operate efficiently and realize constant growth worldwide.

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