CASE APPLICATION #1

Bad Ride. Bumpy Ride.
Topic: Organizational culture, organizational values, leader's influence on culture

You could say the beginning of the end for Uber founder and CEO Travis Kalanick was the February 2017 blog post by former Uber engineer Susan Fowler that outlined a toxic work culture hostile to women and filled with managers (from top down) willing to turn a blind eye to abuses of employees, competitors, customers, laws, law enforcement officials...you name it.

According to the company's website, Uber started (like many entrepreneurial businesses) because of an annoying problem.[50] Travis Kalanick and a friend were having trouble hailing a cab on a snowy Paris evening in 2008. Their solution (although it didn't help them with their immediate problem): Wouldn't it be great to just tap a button and get a ride. Thus, the Uber app was conceived. And it totally disrupted an industry! Today, Uber is the world's biggest ride-hailing company, a global service with more than 14,000 employees in more than 600 cities. And it became the most highly valued startup in history (to the tune of some $70 billion).[51] But the founder's aggressive style and approach to doing business was fraught with danger, especially as seen in the values that shaped Uber's culture.

Kalanick, a tech entrepreneur who had already sold one startup for almost $19 million, shaped Uber's mission around certain foundational beliefs: pursue hypergrowth at all costs; win at all costs; be confrontational, but be "principled"; and mottos such as "Always Be Hustlin'" and "Toe-Stepping."[52] And quite interestingly, nowhere was there any indication that collaboration and teamwork were valued. After the Fowler blog post, others came forward to describe a "baller" work environment where achievements were celebrated by chest bumps and where males would engage in push-up contests. Although that type of atmosphere is not criminal, it likely alienated female employees and other employees who didn't want to get caught up in that type of behavior.[53]

As if these corporate values and culture weren't enough, there were the decisions and actions by Kalanick and other managers. Here are just a few examples:

- A dashcam video went viral of Kalanick heatedly arguing over fares with an Uber driver.
- A *New York Times* report was released on a secret Uber technology, called Greyball, that the company developed to identify and deny service to riders who had violated Uber's contractual terms.
- After a horrific rape of a 26-year-old passenger by a Uber driver in India, the company's president for the Asia-Pacific region somehow obtained and shared the confidential medical record. Executives proposed an outrageous theory that the rape might have been a setup by an Indian rival.[54]
- The company, which had a reputation for ignoring local labor laws and taxi rules, had become a favorite target for law enforcement officials. So, the company routinely used a remote system to lock down office equipment to shield files from police raids.[55]
- Key executives, drivers, and employees at rival ride-hailing companies were secretly spied upon for the express purpose of acquiring trade secrets.[56]
- A data breach was hidden for over a year.[57]
- Unsafe cars were knowlingly leased to drivers in Singapore.[58]

After months of trying to cope with all of the issues and not getting anywhere, some of the firm's biggest investors eventually forced out Kalanick. It was felt that a change in leadership would provide Uber with the opportunity to refocus and recreate a new culture.[59] The board's new choice for a CEO was Dara Khosrowshahi, Expedia's CEO. Khosrowshahi faces a host of challenges, including replenishing Uber's depleted executive ranks and implementing changes mandated by the board to address allegations of ignored complaints of sexism and sexual harassment. Khosrowshahi also needs to focus on Uber's finances. Internal sources say that the new CEO is 180 degrees different from Kalanick: "humble, a good listener, and a diplomat."[60] Maybe the ride will be smoother now!

Discussion Questions

4-11 What role does a CEO play in an organization's culture? What role do other leaders/managers play and what role should they play?

4-12 Using Exhibit 4-4, describe Uber's culture under its founder.

4-13 Which view of management do you see played out here? The omnipotent or the symbolic? Explain.

4-14 What advice about organizational culture would you give the new CEO?

4-15 From an ethics perspective, what part of this situation disturbs you the most? What career advice, as far as ethical behavior, could you take away from this story?

CASE APPLICATION #2

Not Sold Out
Topic: The Power of Presence

How do you successfully manage a growing international company? CEO Christian Chabot of Seattle-based Tableau believes that being there physically is an important piece in the often-complex puzzle of international management.

International growth is nothing new for Tableau. As a leading provider of analytics and business intelligence software solutions, the company, which was founded in 2004, has more than 35,000 clients in over a dozen countries. Tableau provides software tools and interactive dashboards that allow users to generate useful business insights through the analysis and visualization of data. The company is on the cutting edge of data-imaging solutions for end-users with products such as Elastic, which allows users to create graphics from spreadsheets.

Despite tough competition in the market for business intelligence from software giants such as Microsoft, Tableau has continued to maintain its share of the marketplace, and the company's value continues to grow, with a 64 percent increase in revenue over last year. Much of the company's growth is attributed to the company's international expansion, with an 86 percent increase in revenue last year from international markets, which now account for a quarter of the company's total revenues.

While more than half of their current 2,800 employees work in the company's Seattle headquarters, Tableau has 14 locations around the world in places such as Shanghai, Singapore, Sydney, and London. About 400 of the new employees will be hired beyond their Seattle headquarters, and Tableau's expansion will include opening new international offices.

International growth creates many challenges for companies, particularly when they open and staff branch locations in different countries. Cultural differences, time differences, and just the geographic distance can make it difficult to sustain the same management practices at home and abroad. How has Chabot managed the quick growth of this international company? One strategy was to spend almost a year abroad working in the company's London office. His time at that location helped grow regional sales but also provided the CEO with valuable insights to support further international expansion.

Chabot reported that the time he spent in London highlighted the importance of managing culture and people. Prior to the trip, he did not have a true understanding of the challenges of international employees working for a U.S.-based company. For instance, he found that many working in international branch offices did not feel like they were taken seriously by those at the home office. Geographically remote workers can feel disconnected from a global company, particularly when they report to management they have never met in person at their headquarters.

Chabot's time working in London was valuable for employees in all of the company's locations, as his actions sent the message that he felt that employees outside the headquarters were important. Although he spent time only in London, the fact that he spent a year away from the home office emphasized his belief that locations beyond Seattle are important for the company's success. Chabot's experience is having such a profound impact on the company's success that Tableau is now encouraging other executives to spend time at international offices.[61]

Discussion Questions

4-16 Tableau staffs its international offices primarily with host country nationals. What are the advantages and disadvantages of this staffing strategy?

4-17 Do you agree with Chabot that the company will benefit if more executives spend time in international offices? Why or why not?

4-18 As Tableau executives get ready to spend time in the company's international offices, how can they prepare for the cultural differences they will encounter?

4-19 What are some of the challenges Tableau will face as it hires 1,000 new employees in one year?

CASE APPLICATION #3

Extreme Openness
Topic: Organizational culture, openness, pay transparency

Social media is altering the way employee salaries are negotiated and changed. It used to be that how much you were paid at your job was something you never talked about, especially with others outside your family and maybe your friends. However, a number of websites now allow employees to anonymously post their annual pay and provide an overview of salary ranges for various jobs at a given organization. Other websites collect pay data from market surveys and publish it online.[62] This "social media-driven salary information" has shifted the balance of power in pay discussions.[63] Although employers often may ask for salary histories of job applicants and desired salary, now job applicants and even current employees can be prepared with at least some salary information. Even if the data may not be totally accurate, individuals feel empowered to talk about what their expectations are about fair pay.

Recent surveys show that Millennials aren't as apprehensive about sharing information about their pay with their coworkers as older workers are. Nearly half say that they would or do discuss pay with friends. Yet only 36 percent of Americans overall feel comfortable talking about their compensation with others.[64] This attitude shift is forcing some employers to take a close look at their overall compensation and promotion system.

Although proponents of full pay transparency point out the benefits of sharing this information with employees, others

Full pay transparency … the Good, the Bad, and the Reality

say there are drawbacks.[65] For instance, how does an organization reward individuals whose performance is exemplary, even though the performance contributions may not be visible to everyone? This situation is quite common in organizations where work is highly collaborative and coworkers' contributions may not be apparent to each other. That makes it difficult for everyone to agree on how those contributions should be valued. Another problem is how employees respond when they feel their pay isn't "fair." Often, resentment sets in, and dissatisfied/upset employees respond by decreasing their work contributions or by leaving. So, the goal of hoping to motivate and retain employees by sharing pay information might have the opposite effect.

Discussion Questions

4-20 Is salary transparency a good thing? Explain your position.

4-21 Using Exhibit 4–4, in which dimension(s) of organizational culture do you believe pay transparency would fall? Explain.

4-22 Will this trend toward salary openness affect how managers manage? If so, how? If not, why not?

4-23 Has social media's role in pay transparency been a good thing or a negative thing? Discuss.

4-24 In your "assigned" team, discuss your opinions about sharing salary information. Work together to identify additional potential drawbacks of full pay transparency. Be prepared to share these with classmates.

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