Data Translation Challenge – Uber Technologies Business Problem Analysis

Shreeya Sampat

I.   Introduction:

Uber Technologies or Uber is a very popular and widely used technological platform that provides services such as cab rides, food delivery, freight transportation, and more. Uber seems to be expanding, despite the challenges in the current gig economy. In the United States, it holds 71% of the ride-sharing market and 22% of the food delivery market, with over 90 million active users. As noted in the *Data Translation Challenge*, Uber has transformed how people travel and work, especially in areas with limited public transportation.

While Uber has achieved great success, it also faces serious challenges. The company has been publicly criticized for its treatment of drivers, price surging for customers, and its conflicts with government regulations. As Lecher describes in his article, Uber's rapid growth is based on a business model that often ignores or challenges the local laws. This raises several ethical and legal concerns for the company.

To understand Uber's current problems, we must focus on looking at the people and groups who are most involved in or are affected by the company. These include drivers, passengers, and government regulators. Each of these groups has their own goals and concerns. Sometimes their interests overlap, but often they conflict with each other. Understanding of these issues Uber can better understand the conflicts and find ways to solve them. This is a stakeholder-based approach, and a good example of this kind of approach is seen in PayPal's article. PayPal chose to focus on not just on making money, but also on supporting its workers and other important groups. Uber can learn from this by finding ways to grow its business while also being fair and responsible. This paper also looks at how laws, business trends, and company decisions in different parts of the world affect how Uber works. The goal is to suggest a plan that helps Uber succeed without ignoring the needs of its key stakeholders.

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II. Stakeholders:

i. ***Uber Drivers***:

Uber drivers are one of the most influential stakeholder groups. They are the ones who regularly provides the rides and services that Uber depends on. Even though they are crucial to the business, drivers have very little control over Uber's rules and decisions. Many of them face serious challenges like low pay, no benefits, and job insecurity.

One of the biggest issues for drivers is that they are considered independent contractors and not employees. This means Uber does not provide things like health insurance, paid time off, minimum wage, or any of the other benefits that an employee receives. This is also explained by Ahmed in his article, where he states that "Uber's business model depends on keeping drivers classified as independent contractors, but legal challenges worldwide are threatening this structure." This issue has led to major legal battles in different countries. Ahmed also explains how in the United Kingdom, the Supreme Court ruled that Uber drivers should be treated as employees, which means they are entitled to benefits like minimum wage and holiday pay. Uber has not been a fan of that ruling and tries to support Proposition 22 in California. Conger in his article explains how this a law that allowed Uber and other similar companies to keep drivers classified as contractors instead of employees. Since the United Kingdom ruling does not uphold in the United States, Uber and other similar companies have pledged millions of dollars to campaign for Prop 22. On the other hand, drivers often mention that their earnings are not enough. They can't even cover gas, car maintenance, and insurance costs.

Another concern is Uber's usage of its app and hidden algorithms. They use them to manage drivers' behavior and pay. The app sends messages and goals to encourage drivers to keep working, even when it's not in their best interest. Isaac & Yeginsu state that "Uber's tactics

resemble video games in their use of behavioral psychology — encouraging drivers to chase earnings targets and stay logged in longer than they otherwise might." This creates pressure on drivers to work more hours, often without clear information on how pay is calculated. Uber is often accused of price fixing, leaving the drivers feeling cheated.

Overall, Uber drivers face a lot of uncertainty. Their concerns about fair pay, job security, and treatment are shared by many across the world. This may lead to a reduction in Uber drivers and increase in court cases. This makes it even more important for Uber to listen to driver needs and find better ways to support them.

ii. *Uber Passengers*:

Uber passengers are one of the company's main sources of income. They are directly affected by decisions, especially related to pricing, service quality, and safety. One major concern for riders is that fare prices are going up, especially in cities where new laws have increased driver wages. Lindblom explains that "Uber and Lyft will raise their prices significantly starting January 1 in Seattle because of a new law that guarantees drivers a minimum wage." This is a conflict between the driver's interest and the passengers' interest.

While many people agree that drivers should be paid fairly, passengers still want rides that are affordable and reliable. As Lindblom also points out, "Drivers are getting paid more under the new law, but passengers will likely feel the impact through fare increases and longer wait times." This puts Uber in a difficult spot. They must maintain a balance and meet both stakeholders' interests, even if they are conflicting with each other.

Another issue is that Uber is still losing money, which could lead to an even higher prices or fewer ride options in the future. Romano notes in his article, "as Uber and Lyft lose billions, the

promise of ultra-cheap rides is becoming harder to maintain." This could lead to reduction in passengers.

In cities like Seattle and New York, new wage laws have already raised prices. Around the world, economic challenges are making it harder for people to afford ride services. Uber needs to find a way to balance fair driver pay with affordable pricing for passengers, especially in places where the cost of living is already high.

iii.   *Government Bodies*:

Government bodies and regulators play a major role. They help police how Uber operates. They are responsible for creating and enforcing labor laws, safety rules, and business regulations. These decisions directly impact Uber's ability to function in different cities and countries.

One of the biggest issues is how different governments classify Uber drivers. As Conger explains, "Uber, Lyft, and other gig companies spent more than $200 million (in United States) to support Prop 22, which lets them classify drivers as contractors." This clearly is a big issue for the company, if they are pledging a huge amount of money to campaign for a rule.

However, not all governments are on the same page, and due to this have different laws. In the United Kingdom, the Supreme Court ruled that Uber drivers must be classified as employees, which gives them rights to employee benefits like minimum wage and days off. These differences show how regulations vary by country, and how Uber must adapt its business depending on where it operates.

As Conger explains it, "Some lawmakers believe that Uber and companies like it are undermining worker protections." This makes Uber look like it is taking advantage of the labor laws. In cities like Seattle, local laws now require companies like Uber to pay drivers a minimum
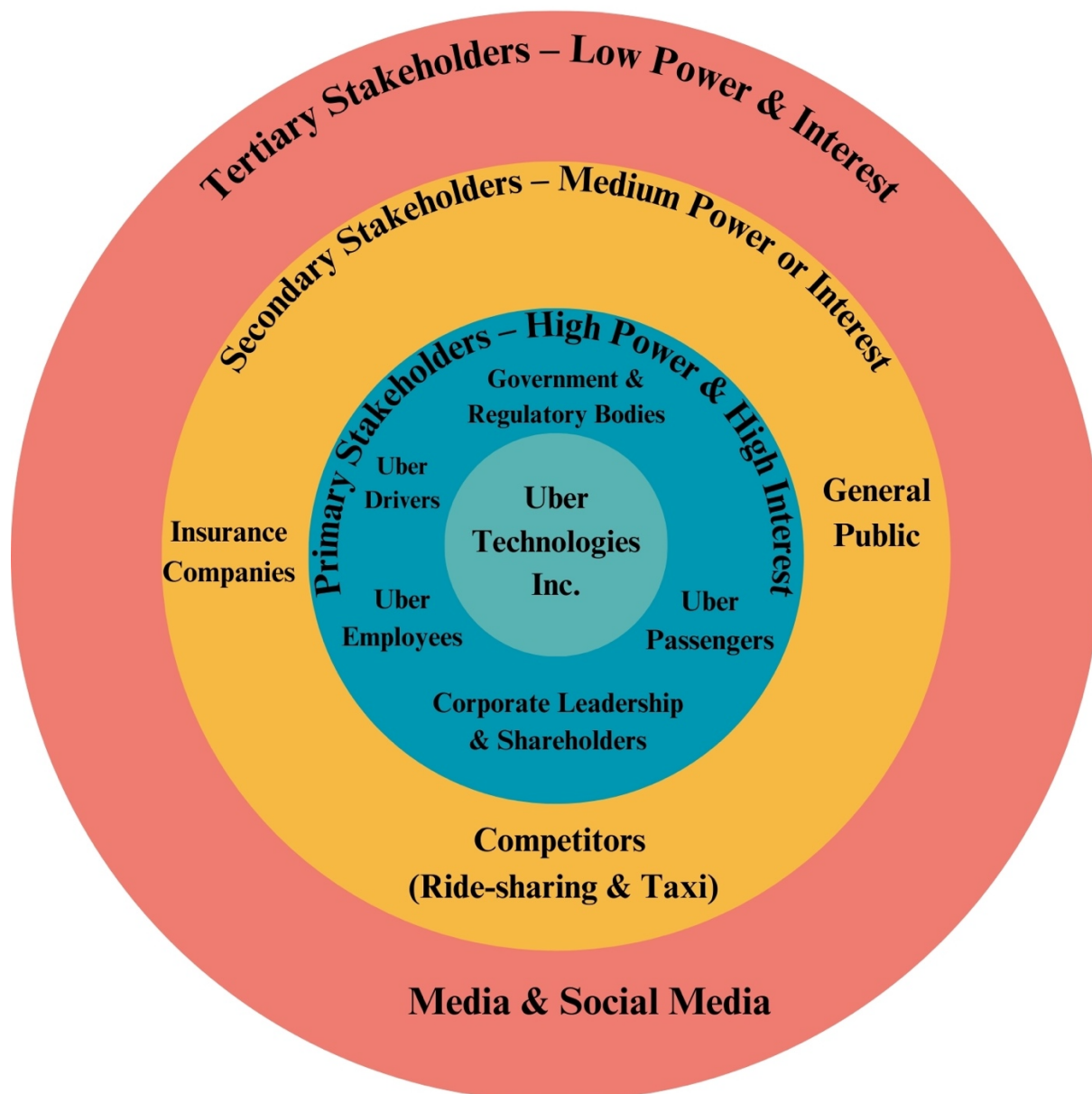
wage, which has caused the company to raise prices. These growing regulations are a risk for

Uber, as they may increase costs and force changes in how the company operates.

Overall, regulators have the power to shape Uber's future expansion plan. The company must

find a way to work with governments instead of fighting them if it wants to succeed in the long

run.

iv. *Stakeholder Map*:

Tertiary Stakeholders – Low Power & Interest

Secondary Stakeholders – Medium Power or Interest

Primary Stakeholders – High Power & High Interest

Government &
Regulatory Bodies

Uber
Drivers

Uber
Technologies
Inc.

General
Public

Insurance
Companies

Uber
Employees

Uber
Passengers

Corporate Leadership
& Shareholders

Competitors
(Ride-sharing & Taxi)

Media & Social Media

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Uber operates in a complex manner with many stakeholders who helps with its success. The Stakeholder Circle Map shows three layers based on how much power and interest each group contains. At the center is Uber Technologies, surrounded by primary, secondary, and tertiary stakeholders.

Primary stakeholders have the most direct impact. These include drivers, investors, employees, government regulators, and passengers. Drivers are essential but often face low pay and job insecurity. Leadership and investors focus on profits, while employees maintain the platform but have little say. Regulators enforce labor laws, though they often face pushback. Passengers bring in revenue but are affected by fare changes.

Secondary stakeholders include competitors like Lyft and taxi companies, insurance firms, and the general public. They compete for market share, manage risk, and shape public opinion, which can influence Uber's reputation and government policies.

Tertiary stakeholders, like media and social media platforms, indirectly affect Uber by influencing public and political perceptions.

This map shows that Uber must carefully balance many interests.

III. Leadership Challenges:

Uber's leadership has always struggled with public image, regulatory pushback, and internal culture. Under former CEO Travis Kalanick, the company prioritized rapid growth and aggressive market entry. As Lecher notes, Kalanick built a culture that encouraged rule-breaking and displayed cease-and-desist letters from regulators as trophies. His leadership style contributed to a toxic workplace, with reports of bullying and a "boys club" environment (Data Translation Challenge Assignment).

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This issue became more public in 2017. Kalanick was filmed arguing with an Uber driver about pay. The video went viral and led to an investigation into the company's workplace culture. This ultimately led to Kalanick's resignation. He was replaced by Dara Khosrowshahi, who promised to fix the culture and rebuild trust with both employees and the public.

Despite this leadership change, challenges continued. Uber still faces criticism for its regulatory strategies like lobbying for Proposition 22. Courts in the U.K. and some other places continue to push back against its business model. As suggested by Isaac and Yeginsu, Uber's use of algorithms to manage drivers has raised ethical concerns about transparency and fairness.

In the future, Uber's leaders need to focus on making smart, responsible decisions instead of just growing fast. This includes improving workplace culture, complying with laws across markets, and adopting more ethical approaches to both internal operations and external partnerships.

IV. Needs Analysis:

Uber's main stakeholders are drivers, passengers, and government regulators. Each group has different priorities that often do not align. Drivers depend on Uber for income, but many feel their pay is too low. They even mention how they do not receive basic benefits. If Uber were to classify them as employees, they might gain more protections but lose some flexibility. Ahmed observes how legal decisions such as Proposition 22 in California and the Supreme Court ruling in the United Kingdom have a direct impact on drivers.

Passengers want rides that are affordable and reliable. However, new wage laws are causing prices to rise. In Seattle, Lindblom describes how a law that increased driver pay also led to higher fares for riders. Government regulators are focused on public safety, fair labor practices,

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and making sure companies like Uber follow the law. According to Conger, many lawmakers are pushing back against Uber's efforts to avoid worker protections.

Drivers are central to Uber's business but have the least say in company decisions. Regulators have the power to enforce changes. Passengers create demand for the service. Among these groups, drivers and regulators will likely shape Uber's future the most. I relate most to both drivers who want fair treatment and passengers who want low-cost rides. It is harder to understand why Uber continues to resist change even with so much criticism.

Uber is also influenced by global systems. Lindblom also explains how economic factors like fuel prices and inflation affect costs and pricing. Cultural values differ between countries. Ahmed shows how in the United States, flexibility is seen as a benefit, while in the United Kingdom, workers expect more protections. Technological tools, such as the Uber app, manage how and when drivers work. Isaac and Yegins rightfully point out how these tools are not always transparent, which leads to further conflict and legal pressure.

V. Analysis of Concerns:

Balancing profitability with ethical practices is the main goal Uber needs to focus on. Its vision should also focus on treating drivers fairly, keeping rides affordable, and working with various government agencies. Technology should be used to increase transparency, especially around pay and scheduling of the drivers.

Drivers want fair wages, benefits, and more control over their work. Ahmed highlights how reclassifying drivers as employees could help, while Isaac and Yeginsu show how Uber's app pressures drivers without clear pay information. Passengers want low-cost, reliable rides, but

wage laws are driving up prices as displayed by Lindblom. On the other hand, Conger points out how the regulators are also pushing for legal compliance and fair labor practices.

Each group has concerns. Drivers fear job loss if Uber automates or shifts models. Passengers worry about fare increases. Regulators are concerned that Uber avoiding responsibility by classifying workers as contractors.

To make essential changes, Uber needs to find answers to some key questions. Can the company pay drivers fairly without making rides too expensive? Is it possible to offer benefits while still giving drivers flexibility? And how can Uber shift from fighting regulations to working alongside governments?

VI. Recommendations and Proposal:

Uber needs to make changes that support both its workers and the future of the company. First, it should offer a hybrid work model that gives drivers some benefits but still lets them keep flexible hours as highlighted by Ahmed. Next, Uber should make its pay system even more transparent and easy to understand. Isaac and Yeginsu explains how transparency will make drivers more confident about using the service and the app. Instead of fighting government rules, Uber should work with lawmakers to create fair labor policies as noted by Conger. Finally, Uber can use smart pricing that adjusts fares based on location and demand. Lindblom explains how this would help balance fair pay for drivers and affordable prices for passengers.

If the board follows these steps, Uber can avoid legal problems, keep its drivers happy, and give passengers good service at fair prices. These changes will help the company grow and be seen as fair and responsible.

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