Engineering Company Culture Change: Regaining Public Trust After Scandal

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Abstract: The technological start-up company Uber, founded in 2009 and today elevating to an international level as a true powerhouse, struggles with discrimination problems. The rate of women and racial minorities in leadership positions lag heavily behind in comparison to those of the white male. Moreover, within the year of 2017, two hundred and fifteen cases regarding sexual harassment were reported alone, and more of discrimination claims. As Uber faced scandal after scandal, the work of their public relations staff grew and thus outreach into its periphery communities began. However, with the scandals so public, the company found itself in a controversy over what was authentic and what was a scapegoat. Uber had reached out to two organizations, Black Girls Code and Girls Who Code, in order to support the movements to educate young women in the world of technology and more specifically, coding. Furthermore, when Uber reached out, it seemed as though the company had been taking noble strides towards change. However, Uber could not have predicted how Black Girls Code would perceive the pledge of money. Black Girls Code had to decide whether or not to accept the pledge of money, and Uber had to rethink the tactics of their public relations in order to aid their reputation and regain the public’s trust.

How It All Went Down

Uber had experienced months of public turmoil which began with a blog post by Susan Fowler exposing the company’s issues with sexual harassment and systematic sexism. Following the scandal, Uber began an investigation on Fowler’s claims, and more than 215 sexual harassment cases arose. Struggling to maintain any sort of a positive reputation, Uber released a diversity report, only to reveal disappointing, yet not surprising to start-ups of Silicon Valley, results; white men dominated as employees and in leadership positions. Later that month, Uber announced a follow-up to their diversity report in the form of a $3 million initiative which was to be put toward programs and organizations that work to diversify the tech industry.

Representatives of Uber spoke with Kimberly Bryant, founder and CEO of Black Girls Code and Reshma Saujani, founder and CEO of Girls Who Code. Both organizations are devoted to fostering the education of young women in the STE industry, and both presented with donations that would help propel the outreach of their organizations. Soon after, on August 24th, 2017, the nonprofit organization Black Girls Code hit headlines when Bryant announced their official rejection of a $125,000 donation from Uber. That same day, Uber made public their partnership with Girls Who Code. Uber pledged and Girls Who Code accepted a donation of $1.2 million over the next three years. Can companies, like Uber, ever respond to scandal in a way that will actually
please the affected group, in this case women? This case explores a study on the impact of social media and public relations, as well as investigates news articles, interviews, and case reports, all publicly shared information about Uber’s pledge towards diversity. It is through these social media outlets that public opinion becomes formed and therefore through these reports one may be able to decide which organization made the proper decision and if there is any way Uber can redeem itself in a publicly satisfying way.

This case revolves around the issue of balancing public perception with practicing good business ethics. Specifically, the case is twofold: exploring if there is a way, in the eyes of the public, to rebuild a business’s tattered reputation after an exposed injustice and explaining the context where Black Girls Code refused a donation and Girls Who Code accepted a donation from Uber—in order to speculate if one decision was more positively effective in nature. Furthermore, this case aims to understand how the public can sniff out deceptive or genuine gestures by companies. It also questions if associating organizations ought to be held responsible for taking advantage of the opportunities, even given the business’s questionable reputation.

**Uber Exposed**

In 2008, Travis Kalanick and Garrett Camp took Silicon Valley by storm when they introduced UberCab, a cab service which took the difficulty of hailing down a cab out of transportation. Over the next years the company spread all over the world, changing game of transportation and profiting over $50 billion as a company. Like any for-profit business, Uber has experienced its share of public relations scandals. However, with the start of the new year in 2017, one of Uber’s former engineers, Susan Fowler exposed the wrongdoings within Uber, thus igniting the company’s year of scandals.

On February 19th, 2017, Susan Fowler, a former site reliability engineer (SRE) at Uber wrote a detailed blog post about her time at Uber entitled “Reflecting On One Very, Very Strange Year At Uber.” In her post, Fowler detailed her numerous run-ins with workplace sexual harassment. Moreover, the company’s Human Resources department refused to respond to her claims. After speaking with more women within her field, Fowler realized her experience with Uber’s HR was far from the first. Furthermore, she wrote about the systematic sexism she faced at Uber, when her higher ups manipulated her progress reports in order to keep her in her position. After that year, Fowler left Uber and joined the technology company Stripe.

After the post hit headlines, Uber’s CEO Travis Kalanick immediately responded calling her account “abhorrent and against everything [Uber] believe[s] in” (Levin 2017). Kalanick expressed his shock by the claims and the company’s determination to investigate Fowler’s reports. Uber hired former U.S. Attorney General Eric Holder to lead the investigation (Fortune Staff 2017). As the investigation proceeded, more allegations of inappropriate behavior by Uber arose. Uber’s law firm released that they were investigating 215 complaints dating back to 2012. From those complaints, the company decided to take action on 58 of the cases and 20 employees were found responsible and fired. That same month, an article supported Fowler’s assertion and exposed that her experiences were not isolated (Issac 2017). Employees were caught doing cocaine at a company retreat and a manager was found guilty of groping multiple women (Issac 2017). After firing the manager, Uber’s SVP of engineering, Amit Singhal also faced sexual harassment charges from his previous job at Google and therefore was forced to resign as well (Marinova 2017). That same month, Uber’s CEO Travis Kalanick was caught on tape in an aggressive, heated argument with an Uber driver over the ride’s pricing (Swisher 2017). After
the video hit the headlines, Kalanick announced he was seeking leadership help through a Chief Operating Officer, “a peer who can partner with [Kalanick] to write the next chapter in [Uber’s] journey” (Swisher 2017).

In March, Uber declared they were changing their ways and thus released a diversity report. Soon after, the company made an official statement addressing the numbers and pledging to make effective strides towards diversity by trying to partner with organizations that specifically worked to further the education of women in technology fields.

**Who Is “Black Girls Code”?**

The organization Black Girls Code (BGC), founded by Kimberly Bryant, has been paving the way for young women of color in STEM industries since 2011. During her time in college in the 1980s as an engineering major, Bryant found herself the sole person of color in the room and one of the only women. Though she felt overlooked throughout her studies, Bryant graduated and successfully pursued a career as an electrical engineer. She spent more than 20 years as an Engineer Manager working in the pharmaceutical and biotech industries. Bryant served in leadership roles in companies such as Genetch, Merck, Pfizer, and more (Spiegel 2016). Years later, Bryant left her job and decided to do something on her own. Unable to shake her love for healthcare and biotech, Bryant networked around Silicon Valley to find inspiration for a new career opportunity. She noticed the lack of diversity within all the conferences and events she attended, specifically, rarely any women or people of color. Meanwhile, Bryant’s seven-year-old daughter expressed interest in gaming. She enrolled her in tech-oriented summer camps where her daughter voiced too-familiar frustrations; she had been one of the few girls at the camps and one of even fewer students of color. Horrified that her experience, 30 years prior, mirrored that of her seven-year-old daughter, Bryant took action and thus the idea for Black Girls Code was developed (Spiegel 2016). Black Girls Code began in 2011 with a vision:

To increase the number of women of color in the digital space by empowering girls of color ages 7 to 17 to become innovators in STEM fields, leaders in their communities, and builders of their own futures through exposure to computer science and technology. To provide African American youth with the skills to occupy some of the 1.4 million computing job openings expected to be available in the U.S. by 2020, and to train 1 million girls by 2040 (Black Girls Code 2017).

Six years later, Black Girls Code has grown from its headquarters in Bayview-Hunters Point, San Francisco into seven established chapters throughout the United States and even one in Johannesburg, South Africa. Reaching over 5,000 girls, Black Girls Code had built momentum over the years and only continues to do so (Gilpin 2014). Thus, it goes without saying that the money offered to Black Girls Code could have directly gone into expanding the programs so more girls would receive the opportunity to train in STEM areas.

**Who Is “Girls Who Code”?**

The other organization Uber reach out to was Girls Who Code. Girls Who Code (GWC) was founded by Reshma Saujani in 2012. Starting her professional career after graduating law school, Saujani worked at a law firm as an attorney defending on security fraud cases (Makers 2017). After successfully working at an array of different law firms, Saujani found herself

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beginning a career in politics and activism. In 2010, she ran and lost the Democratic primary for the U.S. House of Representatives in New York’s 14th congressional district, however she remains the first Indian American woman to run for U.S. Congress (Makers 2017). While she may have lost the race, Saujani’s campaign led her to her 2012 project and the beginning of Girls Who Code.

When visiting local schools on the campaign, she noticed the stark gender gap within computing classes. After the race, Saujani began work on an experiment to get more girls into the world of coding. She and colleagues gathered 20 girls—some from wealthy and others from poor backgrounds—from New York City and taught them how to code for seven weeks (Makers 2017). With only a pizza and $50 stipend from her friend at AppNexus, she ran the program in one of the company’s conference rooms (Makers 2017). By the end of the program, she not only found that all of the girls had an enjoyable time with one another, they all expressed a newfound interest in the world of coding; many of the girls believed tech and coding was for boys, but soon after joining the program realized just how inaccurate that stereotype lies (Saujani 2017). After the experiment’s success, Saujani was inspired and thus, Girls Who Code was founded. Five years later, before the deal with Uber took place, Girls Who Code reached 30,000 girls and established programs in every U.S. state (Saujani 2017).

Uber’s Pledge for Diversity

Since the founding of the company in 2009, Uber had never issued their statistics on the rates of diversity within the company. Numerous former employees said that Kalanick resisted having human resources collect or distribute the data (Bhuiyan 2017). This stood out in Silicon Valley, since companies like Apple, Twitter, and Facebook had released diversity reports as far back as 2014 (Bhuiyan 2017). Nevertheless, Kalanick said, “he felt racial or gender diversity were not useful metrics for the company and argued that diversity comes in a lot of different forms” (Bhuiyan 2017). But given the company had received much scrutiny over the 2017 year, Uber began to address their reputation by first releasing their stats.

The statistics found that men make up about 64% of all of Uber employees and 36% of women globally. Moreover, globally Whites and Asians represent about 81% of the company’s employees and Black, Hispanic, and multiracial people make up under 20% (Gould 2017). When looking at the leadership positions, the numbers dwindle for gender and racial minorities. Men hold 78% while women 22%, and about 77% of the workers with leadership positions are white. When further dissected, it was discovered that 85% of the company’s technology positions are held by men and 15% women, 89% of men take leadership roles in the technology sector while women makeup 11% of positions (Gould 2017).

In comparison to the other technological powerhouses, such as Google, Facebook, Apple, Twitter, and Microsoft, the diversity numbers of Uber are not the worst; the actual numbers are on the better end of a bad average of minorities in these businesses. Overall, Uber’s 36.1% of women, is around the same as, or a little higher than those of Twitter (36%), Microsoft (25.8%), Google (31%), Apple (32%), and Facebook (33%) (Weinberger 2017). Uber’s number of women in leadership is on the lower end of this scale, with the other technology businesses ranging from 18%-30% of women in leadership positions (Weinberger 2017). Overall, Uber’s report further emphasized the huge diversity disparities amongst some of the most powerful start-up companies in Silicon Valley. With the report circulating, CEO Kalanick publicly announced, “I know that we have been too slow in publishing our numbers—and that the best way to demonstrate our commitment to change is through transparency. And to make progress, it’s important we measure
what matters” (WITW Staff 2017). The company addressed the clear discrepancies in their numbers. The company admitted:

Our leadership is more homogenous than the rest of our employees. For example, no Black or Hispanic employees hold leadership positions in tech…this clearly has to change—a diversity of backgrounds and experience is important at every level. This is especially important in leadership, because leaders have a disproportionate influence on the culture of teams. And research shows that leaders from diverse backgrounds are more likely to hire diverse teams themselves (Uber 2017).

Moreover, along with the numbers and acknowledgement of lack of diversity, Uber announced to make a pledge of $3 million to organizations which specialize in educating women and girls in the STEM fields. Thus, the Uber began outreach to periphery organization such as Black Girls Code and Girls Who Code.

Overall, the report and commitment were threefold: they promised to reach out and recruit from more “Historically Black Colleges and Universities as well as Hispanic Serving Institutions.” Uber also promised a healthier partnership with the Grace Hopper Celebration of Women in Computing, and finally, the company decided to donate $3 million to organizations who created opportunities for women and minorities in tech (Williams 2017). While many consumers embraced the company’s newfound devotion, others remained skeptical.

Scandal in the Eyes of the Public

In 2017, with social and mass digital media serving as the primary source for cultivating and understanding public opinion, these Uber scandals caused people to reflect upon the power of businesses’ public relations. For example, Peter Kerkhof of VU University Amsterdam, conducted work on the effects of organization crisis responses on social media. By looking at the power of journalism and the media, Kerkhof helps comprehend the context of the case with Uber specifically as a high-profile case in the eyes of the public (Kerkhof 2011).

Many companies that face negative public exposure respond through social media are subject to authenticity dissection. The public examines how the company may release formal company statements, informal responses, and on a scale from direct, personalized addresses about a specific scandal or a more generalized statement. Kerkhof found that apologizing after cries leads to “higher credibility and a more positive attitude towards the response but increases the perceived responsibility of the organization for the crisis event” (Kerkhof 2011, 2). Thus, while people prefer organizations taking ownership of their actions, they cannot help if the negative association will not leave their mind. Moreover, little research has been done on the ability of companies’ PR in terms of restoring a reputation after negative publicity. However, Solis and Brekenridge, who are the authors of Putting the Public Back in Public Relations: How Social Media is Reinventing the Aging of Business of PR, find an argument that claims a business must “humanize the stories and become part of the conversation instead of trying to buy their way out of it” (Kerkhof 2011, 4).

Specifically, when businesses generally address an issue and then propose a big sum of money be donated to help the cause or solve the problem, audiences on average tend to digest the response in a negative light and regard it as insincere (Kerkhof 2011). Furthermore, the study conducted found that people do not only look at a company’s immediate response but also look to see if the company follows through with their apology by actually adjusting or implementing a
change; the concerns of the public, which initially caused the scandal, must be acknowledged and met with real actions (Kelleher 2009; Kerkhof 2011). Moreover, this study also found that on social media, such as Facebook, the public articulated a general dissatisfaction with corporate responses, such as pledges and new mission statements. People felt as if formal responses “signal distance between the organization and its employees… and therefore less openness” (Kerkhof 2011, 19). Through the expansion of social media, public relations are able to address scandals and negative publicity through different, less formal, tactics, such as interacting with the public on platforms like Facebook rather than only releasing formal press releases. However, it is through this study that it becomes clear that with the spread of informal media, it has become harder for businesses to cover-up or rebuild after exposed misconduct. By taking ownership, the public is less likely to dissociate the company from the wrongdoing and by releasing a formal pledge to change, the public believes there remains an authentic motive (Kerkhof 2011, 3-4).

Furthermore, in the case of Uber, the company released a formal pledge towards diversity as well as the founder and CEO, Travis Kalanick, making a public tweet specifically addressing the sexual harassment claims by Susan Fowler:

1/ What's described here is abhorrent & against everything we believe in. Anyone who behaves this way or thinks this is OK will be fired. 2/ I've instructed our CHRO Liane to conduct an urgent investigation. There can be absolutely no place for this kind of behavior at Uber (@Travisk 2017).

Thus, the company had addressed a specific scandal in a more informal setting—through the application Twitter—as well as releasing a formal address to generalize the issues the company was facing and present the public with a specific plan of action. However, while Uber seemed to have covered both the corporate and personal PR strategies, Black Girls Code’s Bryant remained cautious to welcome a partnership with Uber, for she felt that at the end of the day, actions speak louder than words.

To Accept or Not to Accept

In August 2017, Uber offered both Black Girls Code and Girls Who Code donations in hopes to form a partnership with the girls-in-tech organizations. On August 24th, Bryant announced that Black Girls Code would not be working with Uber and rejected the offer of $125,000. In addition, Bryant released a statement addressing the decision, “I'm not seeing that they're doing anything to make it better for women in this industry,” she said. “This is a nice, shiny initiative that makes it seem right” (O’Connor 2017). She goes on to admit that Black Girls Code had been originally open to working with Uber. Because Black Girls Code was headquartered in Oakland where Uber had planned to move as well, Bryant expressed that Uber seemed to genuinely mean it when they claimed for community-motivated outreach (O’Connor 2017). Also, Uber’s relocation and initial deliberations with Bryant made it seem as though they were committed to better their immediate community as well. Therefore, when Bryant found out that Uber was going to donate $1.2 million to Girls Who Code—a bigger organization which would receive about ten times more than Black Girls Code—Bryant defends that the overall pledge’s “huge disparity” proves that it “seems a bit tone-deaf to really addressing real change in how they are moving towards both inclusion and equity” (Dickey 2017). Bryant claimed “It appears to be more PR driven than actually focused on real change… so we turned it down” (Dickey 2017). Overall, the
stark difference in amounts was not defended by Uber, nevertheless in a Forbes interview with Bryant, she articulated that Uber “only had $3 million in that grant pool, and they gave almost half to one organization. I didn't feel it showed a substantial investment in the community; it felt insincere. It wasn't an equitable distribution of funding,” which offended Black Girls Code and inspired suspect of Uber’s authenticity (O’Connor 2017).

On that same day, Girls Who Code announced their partnership with Uber, accepting the $1.2 million gesture and taking on a new board member in Uber’s Bozoma Saint John. Saint John, one of Uber’s Chief Branding Officers, joined the deal in order to ensure the deal would be properly carried-out (Liao 2017). Girls Who Code were specifically excited to work alongside Saint John, a woman of color who holds a leadership position at Uber. Girls Who Code felt that Saint John “exemplifies” strong female leadership in the tech industry, which is vital for young women to see and have as a role model (Liao 2017). The organization will receive the money over the next three years, and Reshma Saujani expressed her specific goal for the money to “grow the program especially in places where kids have little access” (Dickey 2017). The money is estimated to help Girls Who Code teach 60,000 more girls. Furthermore, Bozoma expressed a lot of enthusiasm in teaming up with Girls Who Code, “I’m excited and honored to join Girls Who Code as a board member. Representation is incredibly important in the tech industry, and the progress Girls Who Code has made in growing the next wave of female coders is beyond inspiring. I can’t wait to contribute” (Dickey 2017).

Moreover, the overall response and collaboration with Uber was a positive one, and thus inspired Saujani to accept the donation and the partnership with Uber. In addition, Uber’s hiring of Saint John in early June 2017 was perceived as an authentic stride towards making change and thus Girls Who Code were happy to take the donation and gain a role model for women in tech.

The Report, Pledge, and Decisions in the Eyes of the Public

The news of each organizations’ response quickly circulated in the media and inspired many reactions. After Bryant’s denial and statements about Uber were released, Black Girls Code received a lot of praise. As soon as Twitter got hold of the news, people began to donate to Black Girls Code, knowing that denying the money was the right, yet hard decision to make. Starting with Kristy Tillman, the head of communication design at Slack, tweeting a screenshot of her personal $1,000 donation on the 26th of August, 2017 (Conley 2017). The donations then began to roll in and within 24 hours the organization received over $125,000 in donations, exceeding $145,000 by the 28th of August (O’Brien 2017). Furthermore, in the case of Uber’s perceived reputation, their reports and formal address/pledge in response to their many scandals—specifically the claims made by Susan Fowler about sexual harassment—seemed to not be taken by the public in a satisfying way. Many claimed that Uber’s donation felt like a way to distract the public from the fact that not much had been corrected at Uber after the incidents; only 20 employees had been fired after it was released that there were 215 complaints and 58 sexual harassment and discrimination cases. Thus, this public reaction to support Black Girl Code’s stance on Uber represented the masses’ overall mistrust in Uber, which echoes the results of the study conducted by Kerkhof. Just as the previously cited study suggested, that a business issuing a formal statement in response to scandals would not bring positive reactions from the public, Uber’s pledge was highly regarded as “insincere” (Kerkhof 2011). In addition, the study by Kerkhof also revealed that people also pay attention to the company’s actual actions and how effective their strides hold up.
Nevertheless, there remained people who saw the pledge by Uber in a different light, embracing their partnership with Girls Who Code and commending them on their new hires of women in leadership positions. In fact, while Uber’s low firing number stood as dissatisfying to many, others chose to focus on the new hires Uber began to embrace after the company began to reinvent itself—shortly after Uber began investigating the sexual harassment claims and fired employees. With the position vacancies came new women hires. Bozoma Saint John joined as the Chief Branding Officer and Frances Frei as Uber’s SVP of leadership and strategy (Recode Staff 2017). Both women, confident in their decisions, have defended their acceptance in working with Uber. Bozoma directly address the public speculation of tokenism by Uber by claiming that to her, “there’s no sense of tokenism because [she] knows [she] can do the job — [she’s] qualified to do the job, can do a great job. Being present as a black woman — just present — is enough to help exact some of the change that is needed and some that we’re looking for” (Marinova 2017). Furthermore, many took these new hires and pledges towards diversity as a step forward for Uber. Many news outlets circulated the excitement for Girls Who Code. Thus, though Black Girls Code’s response mirrored the study by Kerkhof, so does the reaction of Girls Who Code; Uber did in fact implement action after declaring change and thus the public began to trust the company more. Both organizations and both pieces of information—Uber not firing a satisfying number of perpetrators and Uber actually hiring more women leaders.

Furthermore, while Girls Who Code were embraced for their acceptance of the donation, they also faced negative backlash. Many news outlets reporting the deal interviewed other organizations, geared toward educating girls in technology, and the general tone was negative. Corinne Warnshuis, the executive director of nonprofit Girl Develop It stated, “What's the point of offering women avenues to learn web/software skills if we're going to then lead them astray by recommending they work at a company that actively harms them? That’s the worst outcome” (O’Brien 2017). In addition, Susan Wu, one of the founders of the nonprofit Project Include, tweeted that Uber’s “efforts” were “diversity theatre” which ultimately “hurts the industry. Shifts focus from real impact to check lists” (O’Brien 2017). Furthermore, Susan Fowler, the author of “Reflecting On One Very, Very Strange Year At Uber”—the blog post which exposed Uber—called out Uber and new hire Saint John, saying that they should “help out the women who Uber hurt first. There are hundreds of ‘em” (O’Brien 2017). Thus, the study by Kerkhof revealed that taking ownership of a scandal as a business, which “increases the perceived responsibility off the crisis,” may have impacted the public’s lasting opinion on the company (Kerkhof 2011, 19). Thus, in the case of Uber this observation may hold true; in the eyes of the public Uber admitted to the claims made by Fowler by investigating and finding employees guilty. And while the company may have begun to actually implement changes through hiring women in leadership positions, the public’s opinion may have already been tattered enough that trust in Uber was not able to be restored.

Epilogue

With 2017 ending, Uber remains in partnership with Girls Who Code. Girls Who Code continues to expand its programs across the nation to places like Northeast Arkansas, the Bronx, and more, spreading the education of young girls. Furthermore, the organization’s goal of 60,000 more girls is calculated to be met, based on their progression (Girls Who Code 2017). Black Girls Code also continues to thrive. Soon after raising $145,000 in donations right after the Uber incident, General Motors reached out to Black Girls Code and partnered up in September, with a
donation of $225,000. The money will be used specifically to open a local chapter of the organization in Detroit, in order to introduce more young black girls to the coding organization (Dickey 2017). And finally, Uber continues on with its diversity pledge, Bozoma Saint John working diligently with Girls Who Code. In addition, the founder and CEO Travis Kalanick has taken a leave of absence after recommendations by Uber’s board of directors. In an email where Kalanick announced his leave, he declared, “If we are going to work on Uber 2.0, I also need to work on Travis 2.0 to become the leader that this company needs and that you deserve” (Fortune Staff 2017).

Nevertheless, the company appears to be taking strides towards diversity and change. Given the limitations of the media, the authenticity of those strides remain popularly up for debate throughout social media. Many still associate Uber with the rest of Silicon Valley and argue that the entire Silicon Valley start-up community needs to make many more substantial changes toward diversifying and creating better working environments for women and racial minorities. In addition, the wave of criticism of Girls Who Code has seemingly passed in the media, which begs the question, which organization—Black Girls Code or Girls Who Code—made the right decision? Is it possible for one decision to be seen as more effective in the eyes of the media? Was one decision better for the overall cause to educated girls in STEM fields?
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