

Leading and implementing workplace change

BMSW 6103

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Executive summary

Sooner or later every organisation requires change management efforts because without reinventing itself business tend to lose out in the competitive market environment. Change efforts are often targeted at making fundamental aspects in the business – operations and culture.

Change is often misjudged by employees as many times they are focused on short term gains and benefits rather than the long term objectives and business vision.

Uber is an organisation that has been able to create a strong brand name, despite that it had encountered numerous problems and its reputation has been affected. This report provides a detailed analysis of the business activity and the concept of change within the company, the array of implications and the business capabilities.

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Introduction

The selected organisation for this report is Uber, which is an international transportation provider and which has a tumultuous journey in the current business environment. This report is organised in three main sections: Evaluation of the adopted change management process and identification of suitable strategic change options in Uber, change management models and Change Management Plan.

The first section will describe the business and will provide elements of the organisational background. It will assess the industry where Uber operates and will make use of PESTEL analysis. It will assess the business activity and its capabilities to manage the change and it will discuss in particular the pandemic which has been a major disruptor for majority of the business worldwide.

Section two of the report will critically evaluate the Change Management Models by looking at three theoretical models developed by Lewin, Kotter and Pettygrew. Based on the evaluation it will be selected the most suitable model of change to be applied for the selected organisation Uber.

The last section of the report will propose a change strategy for the organisation to implement in order to improve its operations and performance. Will also discuss elements of organisational culture and importance of leadership.

The report will conclude with findings and results of the analysis and will provide recommendations for the organisation.

Section 1 Evaluation of the adopted change management process and identification of suitable strategic change options in Uber

The selected organisation for this report is Uber. Working for Uber gives high levels of flexibility and it can be stated that it is a responsible and committed organisation which has strong values and beliefs. According to Uber (2023) their mission is “to help people go anywhere and get anything and earn their way”. The organisation is a technological company that makes use of digitalisation to deliver transportation services. The Uber platform connects the physical and digital worlds to make the movement accessible everywhere. The organisation believes are to champion the right to move and earn freely in a safe and secure way, being committed to the local communities and having a diverse workforce. Uber has clear objectives towards becoming a sustainable business, a zero-emission platform by 2040 with 100% of rides taking place in zero-emission vehicles, on public transit, or with micromobility.

Uber is relative new organisation from 2009, which has seized an opportunity and provided original ideas to deliver transportation services through a centralised platform. The organisation has registered huge growth expanding its operations globally. The company has operations in more than 70 countries and in more than 10000 cities worldwide. The variety of their services has gone from taxi services to food and grocery delivery, from 4 wheels to 2 wheels or even 18-wheel freight deliveries. Uber's services are ride options: UberX, UberXShare, airports, Uber Eats, Uber for Business, Drive with Uber, Deliver with Uber, Uber Freight which according to their website is the largest logistics and transportation networks in the world, which helps shippers and carriers of all sizes take control of their freight and deliver on their goals. In simple terms, Uber provides a technology in the form of multisided platforms that “match consumers looking for rides and independent providers of ride services, as well as with other forms of transportation, including public transit, bikes, and scooters” (Uber, 2023). Another service of the company is the home delivery service which helps the restaurants and other merchants with the infrastructure to deliver their products to the consumers. The process of recruitment has also been made more efficient with real-time checks and various work opportunities. Everything in Uber has been upgraded and evolved from market needs, in order to improve its operations and acting responsible for its customers, but also for its drivers.

PESTEL analysis

Uber has been considered a novelty player in the taxi industry reaching a high number of customers and being able to full fill their needs. Is is the fastest growing app for transportation services and although it had a controversial business model it had managed to surpass obstacles and be an important player in the industry.

Political factors

In the transportation industry and taxi services a company like Uber has to comply with various legislations, regulations and policies for each country where it activates such as foreign trade policies, tax rules, fiscal policies and so on. Legislation on minimum wage, licensing were issues that Uber encountered in the past. Being an innovative business model, the initial development lack clear regulation and control system and it was difficult to pinpoint the insurance responsibilities towards the company or the driver. Commercial licences were also source of debate for Uber's activity and even political discussion about complying with the Employment Law and minimum wage.

Economic factors

Uber basis its activity on sharing physical and intellectual resources, by hiring drivers to provide transportation services. This business idea has been using the digital trends and this has lead to an easy to access service and often cheaper than other taxi services. The exponential growth of Uber has created competition in the industry and some markets had felt threatened or had considered to be an unfair competition for the regular taxis. Some decisions affected Uber's activity because their services were restricted or even banned from some markets. Despite that similar companies were delivering taxi services, Uber has been the focus point due its rapid development. That is why it has been debated if this type of economy was creating jobs and new career opportunities but with lower pay or was taking the workforce from existing positions Uber being under scrutiny vs traditional taxi driving. The alarming growth rate of Uber has been stimulated by the market needs. The relevance of Uber for the economy has been proved by the rise in demand and by giving people diverse choices such as Uber X, Uber Comfort, Uber XL, Uber Black. Therefore the driving force of Uber's business has been based on the supply and demand and the economic conditions have been favourable to the business. Uber's customers were inclined to make use of Uber's services to save rides as long as it helped them to manage their expenditure being affected by the increased living costs. The pandemic has affected negatively the business, disabling the business to provide their innovative services resulting in profit loss of more than 30% (Statista, 2022).

Socio-cultural factors

The role of consumers and the demand and supply ration has been at the centre of Uber's development. Uber has been able to identify what the market needs, what the customers need and what are their preferences. A indicative research of social trends, social engagements, social events had enabled to target the right market and gain profit. An ageing population is a segment in need for transportation services also. Being a digital organisation, Uber has made use effectively of social media platforms to reach its customers and advertise its services. Society has become inclined to use their smart phones more and more for anything and people had found easier and more comfortable to use their phones to book rides and Uber has excelled at offering people's what they needed. (Uber, 2023)

Technological factors

The digitalisation of the business has followed the continuous technological developments, but has also been imposed through pandemic, when business had to adapt their operations in order to be able to function and survive. The present society has become dependent on technology and expect fast actions and latest technological advancement. Technology is a must nowadays and that applies

to the running of a business to ensure success. Uber is a tech company and uses that to deliver their services such as pop-up messages, tracking the ride, but there are still many other advanced technologies that Uber has not reached them. For example self-driving technologies, electric cars.

Environmental factors

The transportation business is known for polluting the air and for the carbon emission rate. An increase in demand means an increase in the number of vehicles on the road which means fuel consumption, carbon emission. Uber can be criticised from that point, but Uber's latest sustainability strategies aim to make the business greener. Uber's initiative Green Uber aims to ensure usage of more and more electric vehicles which is a concrete step towards environmental conservation (Uber, 2023).

Legal factors

Uber has to comply with the legislation in each market it operates and for that purpose has to ensure that the organisation is abiding legislation related to wages, discrimination, health and safety, licences, consumer law. The evolution of Uber has meant that it had to address any issues and any ambiguity that has been putting their business at risks. For example in the United Kingdom it had to change their business model and change the Terms for their riders and their drivers. Treating their drivers like permanent employees was direct by the High Court and Uber. Being an online business Uber has to ensure it complies strictly with data privacy legislation and GDPR regarding the customer database (Uber, 2022).

In its journey Uber has faced many challenges as an industry incumbent. Uber has been at the front of different negative headlines being criticised for impacting the public transportation and for creating congestion which has been called "Uber congestion". This has resulted in the replacement of Travis Kalanick, the co-founder of Uber (PennState, 2018).

According to Carson (2018) the company had to change in order to address the cumulated problems at operational levels and cultural levels. For that purpose it has developed a pilot of a corporate education program which was an unusual strategy for a company in crisis which had to be implement rapidly and urgently to avoid business failure. This had the purpose of emphasising a reaction and ensure a turning point from the actual situation. The organisation had to spin the public eye from the negativity and accusations for the business activity towards positive changes and developing and learning as a company and service provider. As opposed to anticipatory change, when a company is aware that their current strategies are still producing, but on the slowdown, and can slowly implement new game plans, Uber was ripe for immediate action (Moran, et al., 2011).

At that time the leadership in Uber was not helping specifically the organisation and the organisation decided to provide training for their managers and their employees in order to align them with the business objectives and strategies. Therefore changing the corporate culture involved all levels of management within the organisation and it was what the company needed to thrive. It has not be a straight forward process because Uber manages a diverse workforce from different national cultures which presented higher elements of resistance to change (Carson, 2018).

In the domestic market in the United Kingdom one of the most discussed issue in Uber related to the way the organisation has chosen to implement its strategies. There have been reported irregularities with the contractual agreement elements of the Uber drivers and riders. According to Uber (2022) as a response to the High Court form the United Kingdom the business model had to change in relation to the Terms for their drivers and riders. This change has been applied in December 2021 as a consequence of the High Court ruling. This change referred to the way riders will contract directly with Uber with the provision of upfront prices on the offer card and drivers being able to check their actual earnings on individual trip receipts and weekly earnings statements. This change will ensure more accurate pricing when changes occur due to new routes or traffic. This separation of riders changes and payments towards the driver are more transparent and Uber will also pay the driver other earnings such as the worker benefits in order to comply with the Employment Law and Private Hire Vehicles in London and drivers will continue to be paid Holiday Pay, a National Living Wage guarantee plus access to a pension scheme. The Uber drivers will remain self-employed for tax purposes which has to be completed by each individual and the organisation will also change the yearly tax statement to run from April 6th to April 5th.

The pandemic

The pandemic has also been a determinant for change in Uber as many other business which have been affected. Pandemic has been a disruptor element for many industries world wide and Uber has been affected in particular for a while with people not being allowed to live their house unless needed and with social distancing rules. The first year of the pandemic has been difficult for Uber with strict lockdowns and social distancing regulations which resulted in the decline of the customers (Statista, 2022).

Uber's activity has been affected by the pandemic being considered the biggest economic shock in the last century and the organisation had to adapt like many other did. According to Uber Newsroom (2021) Uber has always tried to meet their customers needs in crisis and therefore it had to ensure they are capable to do that through pandemic also. For that purpose it had to develop its services and create opportunities for itself and adapt the platform to the current needs and financial

resilience. For that purpose Uber had to outsourced the services of an organisation to research the impact of Covid-19 Pandemic, to analyse the administrative data, to survey a high number of their employees and analyse the existing studies of the impact on the labour market. This has been beneficial for the organisation because it has provided insights of the on road experience of their drivers, how the platform was able to generate income for many worker struggling with financial security with many people not being eligible or not being able to access the Government support. A high percentage of the data collection has identified that Uber platform has been a safety net during the pandemic. A positive element identified was the resilience of the platform in the period of crisis. Through Uber Eats, the organisation has been able to connect the consumers and the restaurants owners, the merchants, helping them to be able to have a business in a crisis period where the hospitality industry was shut and even further when the consumers where reluctant to take risks and get out and do things (Business Leader, 2021).

Uber has also introduced a services for its customers in order to provide help with locating vaccination sites near them and helping to book a ride through the app under Vaccine. Uber like many other business had focused on ensuring high levels of safety and have introduced policies and features to comply with the Governmental requirements such as mandatory face mask, free sanitising stations supplied to their drivers. Uber Eats had available an option for “Leave at door” for home deliveries.

During pandemic Uber has tried to bring contributions to the society and had offered free rides and food deliveries to frontline healthcare workers and people in need. In some market had even provided free meals in coordination with local Governments, for independent restaurants have helped them with the delivery fee and in markets where Uber Freight operates, shipments of critical goods will be transported with zero profit pricing (Uber, 2021).

Uber has managed to adapt its operations and the new leadership has contributed towards that. Some publications have considered pandemic to be a positive trigger of change for Uber to focus on efficiency and cost reduction. Post pandemic Uber is considered to have learned to adapt, is considered to be “leaner and meaner today under impressive new leadership” (The Motley Fool, 2023).

Section 2

Change management models

According to Kane (2008) the organisational change is the “An ongoing journey with multiple destinations and no real endpoint”. Managing change is a complex process that can imply

confrontation and requires ability to overcome challenges and seize new opportunities. Leading the change is a desired quality and being a leader of transformation helps the progress of the business. Implementing changes can be realised through force when there is a lack of communication, but it can have devastating results, through persuasion which is connected to existing work relations across the organisation and good leadership traits such as charisma and through education when the process of change is realised through empowerment and sharing and which is the ideal type of change.

Change management is defined as “the process that businesses and organisations use to implement changes through building and delivering effective change strategies. It includes reviewing reasons for change, implementing changes, and helping people adapt to these changes” (Coursera, 2023).

There are different models of change which have been developed in relation to organisational changes. The Kurt Lewin Model of change (1995) implies that the motivation for change of the parties involved has to be generated before the process of change is applied. It is elaborated around three main stages of change: Unfreeze, Transition, Refreeze. The unfreeze stage refers to the process of understanding why the change is important and needed to take place. The transition stage represents the solutions that can be provided, it implies a complex approach which takes time to ensure any uncertainty is resolved and it requires a proactive action and a complete understanding of the benefits of the change. The refreeze stage is when the change takes shape, when the change is embraced, internalised and accepted and incorporated in the way of action and everyday business.

The communication of the reason why the change is needed involves explanations, but also gives a chance to the employees to voice their concerns or provide contributions, the implementation of the change should be distributed in stages or phases whilst ensuring closed monitoring and reviewing. When the change is implemented it should be evaluated the impact of the change and its success.

John Kotter has developed a theoretical model of change that involves 8 steps in implementing a change and be successful. The first step is to create an urgency, the second step is to form a coalition, the third step is to create a vision, the fourth step is to communicate and the fifth step is to remove obstacles. The final steps include short-term-wins and building on the change. Last step continues the cycle with another change. The tools required to apply this model refer to a time-scale, required resources, types of objectives, researching the levels of perception and interest, levels of control and establishing who is the source of control and holds the power. It also requires a stakeholder analysis and a forcefield analysis to identify the driving forces and the restraining forces.

The third model of change has been developed by Pettigrew (1992) and refers to the content of change which is composed from the objectives, aims and purposes of the strategy for the change; process of change which enables the implementation of the strategy; and the context of change which take into account the internal environment which can be represented by the management decisions and the external environment which can be represented by the competition, where the strategy is based.

The next wave of economic growth is defined by the technological development and that is an organisational change that many companies have faced at one point and continue to do that in order to remain relevant in the business environment. Data handling and business intelligence is a new source of knowledge and that should be used for the business advantage. Corporate culture and change management had a long term relation as cultural change forms the most challenging part of change management. Uber has encountered various problems in relation to its corporate culture and an effective way to implement changes is by using the Kurt Lewin theoretical model of change: unfreeze, transition and refreeze which will provide support to the managers to understand the need of change in a systematic approach. Uber is a complex organisation who has been able to create and consolidate a brand name for the transportation industry. Although it can be considered that at the high levels of digitalisation could be impersonal and have reduced interaction, actually Uber has learned from its mistakes and has been able to surpass obstacles. The tech company operates like any other organisation with own culture, distinctive operations, organisational departments and strong vision and values. It has a very professional approach to provide safe and qualitative services, having put in place a strict system to check its drivers (Light, 2017).

The selected change to be discussed in Uber is in connection to the organisational culture and how Uber can use the change management to improve itself. The role of change management is to improve performance in Uber and taking in consideration that Uber is an international organisation that means different national culture and a diverse workforce. Corporate culture is defined as “the way in which the persons of the business such as the employees and higher bodies interact with each other to discuss something other than the business transactions” (Guiso et al, 2015).

Corporate culture has a major role in determining the performance of an organisation and due to the business profile, to the large number of markets where it operates and specific way of operation as a digital business model it has always been labelled as having an aggressive and unrestrained corporate culture. The company has to perform and complete different checks for the potential candidates who can provide best value for the company and be in line with the business strategy and objectives. Rough attitude and conflictual communication has been often registered among the Uber

drivers which sometimes have impacted the service provision and the brand image implicitly (Isaac, 2017).

Section 3

Change Management Plan

Culture plays a critical role in change management and it is more difficult when the change has to be applied to manage aspects related to organisational culture. Managing cultural change can be very difficult and scary as it involves high levels of change regarding policies, business operations and most important employees behaviour. Changing the behaviour of an individual is even more challenging with such a diverse workforce like Uber has (Coleman, 2013).

The change management plan for Uber will make use of Kurt Lewis model of change and will focus on influencing the employees behaviour and their alignment with the business vision and organisational culture. Uber should create a culture oriented change based on the business profile and expectations, which is not a traditional type of organisation. Often managers do not give importance to the organisational culture so much as compared to other factors from the pressure to perform and be successful.

The proposed changed comes as a solution to all past problems and negative image of the organisational culture in Uber in order to maintain strong image of the company and high levels of trust for their customers. This is a very important aspect as it helps Uber to provide consistent services and to gain competitive advantage. Working on strengthening the organisational culture influences the reduction of employees under performing. The problems generate by drivers who were accused of discrimination, exploitation or even sexual harassment were highly criticised and generate in loosing customers. Uber benefits greatly from word of mouth recommendation and it is for its interest to ensure their employees are sharing their values. Change management is the only way it can deal with improving its work culture and aligning with corporate values.

The proposed changes that needs to be applied by the management in order to enhance the corporate culture of Uber involve a series of measures that will benefit the company and its workers. It has to develop a strategy that establishes particular goals to the employees, it has to change the promotional policies emphasising that Uber is a welcoming workplace where diversity is embraced, to create policy that has a zero intolerance towards any type of harassment within and outside the

workplace and develop a technology that can support any potential investigations and determining if the employee is the best fit for the company.

The first stage of Lewins model of change is the Unfreeze stage which refers to the process of understanding why the change is important required. Uber's leadership has evolved along with the business, has learned from mistakes and has learned how to react and manage situations which have put the business at risk. Leadership has had to evolve to be in accordance with the business needs and has had to recognise its weaknesses and identify solutions to react fast and address the obstacles and the problems that were impacting the business. The uncertainty of the environment, especially with the pandemic has demonstrated that Uber is a strong organisation. With the proposed change leadership has the role of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplishing shared objectives (Yukl, 2010).

The leadership is very important in this stage to communicate to the management level and empower them to build on the corporate culture, rather than being 100% focused on performance and profit. Having the organisational culture not the management agenda builds on the trust levels within the company and employees feel looked after and appreciated. The transition stage represents the solutions that can be provided and the managers have to show a proactive attitude and way of action to be able to transmit the benefits of the change towards the employees. Therefore managers should understand and have completed knowledge towards the new policies, to be able to implement them worldwide and have continuous support from the organisation. The managers should be empowered to set up objectives for the drives and recognised and praise their efforts and to address any behaviour that is considered to be harassing and not in line with company's values. Applying a better and improved version of zero tolerance for any type of harassment should be defining the business operations and lead employees to refrain from any misconduct and inappropriate behaviour. The refreeze stage is when the change takes shape, when the change has been embraced on all levels from management to drivers and when a more positive and improved organisational culture is created in everyday business.

These changes will give confidence to women and other potential candidates who have been reluctant to join the organisation or would ensure the talent retention and gain their trust. Uber needs to position itself as an organisation who values and takes care of its employees as they are the bread winners for the business, which otherwise would remain a digital platform only. These changes will boost productivity and would strengthen its brand image without having to reinvent itself and remain competitive and an attractive employer in the industry (Fernfort University, 2023).

Uber has always relied on word-of-mouth advertising and the most probable impact of the implementation of the change would be that Uber will become the organisation which intends to be, which has contributed to the growth of the industry and which has been able during pandemic to provide help in crisis and real solutions for a frozen economy and an entire world in shock.

Conclusion and recommendations

This report has identified that Uber has a strong position in the market and has been able to match the consumers' needs. The PESTEL analysis has highlighted that the transportation industry has been favourable to the business in some ways, but it has been challenging as a new concept to put on a basis of a clear concept as it has been an innovative business model. The organisation has had a few times to amend its operations in order to be legally compliant, has had to adapt to new challenges such as the pandemic and has been able to have a fast growth world wide. This report has looked into improving the business by creating an organisation that will benefit its employees and will improve its image as employer and as a brand.

The proposed change involves an extra effort from the leadership and management to ensure new policies are applied and followed through. Short term recommendations is to ensure continuous flux of information regarding the progress of the changes and its benefits on the overall performance and on the long term to ensure continuous monitoring.

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Appendix

METRIC	2021	2022	GROWTH
Bookings	\$90,415	\$115,395	28%
Revenue	\$17,455	\$31,877	83%
Adjusted EBITDA	(\$774)	\$1,713	N/A
Free cash flow (excluding HMRC VAT claims settlement)	(\$743)	\$1,123	N/A
Operating income (GAAP)	(\$3,834)	(\$1,832)	(52%)

DATA SOURCE: UBER Q4 EARNINGS RELEASE. DOLLAR FIGURES IN MILLIONS.