



Playing BY THE Rules

ETHICS AT WORK

Undergraduate & Graduate Business School Episode Guide

Season 3, Episode 1: Driven

wliw.org/ethics

Major Funding for Playing by the Rules, Ethics At Work was provided by Ronnie and Lawrence D. Ackman and by Janet Prindle Seidler. Additional funding was provided by the Charles H. Revson Foundation. ©2019 WLIW LLC. All rights reserved.

Season 3, Episode 1: Driven

Instructor Overview

Case Overview

They've become the Ten Commandments of Silicon Valley – a set of popular motivational slogans like “Move Fast & Break Things,” “Change or Die,” and the ubiquitous one-word exhortation “Disrupt!”

Perhaps no company embodied those values more than Uber. In a mere seven years, Uber went from a local San Francisco ride-hailing service to a multi-national corporation, operating in more than 70 countries. By 2017, it was valued at nearly \$75 billion, more than General Motors.

Clearly, much of that growth was the result of having developed a new and immensely popular product. In part, it was also a result of having pushed ethical and legal boundaries. Under the leadership of its former chief executive Travis Kalanick, Uber was accused of stealing technology, manipulating its business partners, and illegally operating in cities across America. Driven to win at whatever cost, Kalanick referred to his way of doing business as “burning the village.” More than once, that risk-taking put Uber in jeopardy, antagonizing tech giants like Apple and Google as well as government regulators.

As one well known tech investor put it, “Travis’s biggest strength is he will run through a wall to accomplish his goals. Travis’s biggest weakness is that he will run through a wall to accomplish his goals.” Under Kalanick, Uber didn’t just develop a bad reputation with the outside world. Inside the company, an “Animal House” atmosphere prevailed in which sexual harassment and gender discrimination were commonplace.

In the summer of 2017, amid growing concerns about his leadership and with Uber hoping to become a public company, Kalanick was forced out by the board of directors. A new CEO, Dara Khosrowshahi, has been charged with repairing Uber’s image.

With consumers and investors increasingly sensitive to how companies make their money, Uber presents a case study in non-traditional business risks, like a company’s public image and the impact of reputational damage. As similar controversies unfold over the business practices of tech giants like Facebook and Google, does that mean the Silicon Valley era of “moving fast and breaking things” may be coming to an end?

Focusing on the importance of ethical business practices and experienced leadership, *Playing by the Rules: Ethics at Work* tells the story of Uber’s ascent, the controversies which followed, and the efforts of current management to instill a new company culture.

Media Utilization Tips

Ideally, instructors will assign the full episode (27 minutes) to students to watch in advance of the class, so that they may fully participate in the in-class discussion.

Link to view:

<https://www.wliw.org/programs/playing-rules-ethics-work/driven-iggrcz/>

Key Moments: Instructors may choose to highlight key moments within the episode for students to pause and reflect on the episode. Below are the timestamps of three key decision-making moments:

- 4:45** – Explain Uber’s early legal misstep with the city of San Francisco.
- 10:05** – What was Greyball? Why did regulators consider it illegal?
- 18:53** – What were some of the recommendations given to Uber to address internal issues? Do you agree with these?

Reflection Questions: Instructors may also choose to provide students with reflection questions as they watch the episode. Examples of reflection questions include:

- Describe the parties involved and their interests.
- Describe the corporate culture at Uber.
- How did Travis Kalanick’s personality and actions influence the corporate culture at Uber?
- What did Kalanick stand to gain or lose if he had changed his behavior?
- Describe key moments when Kalanick or Uber’s shareholders could have made different choices with different outcomes for the company.

Key Takeaways

Here are some of the key themes in this episode:

- As observed in previous seasons of *Playing by the Rules*, corporate culture has an impact on a corporation’s bottom line. As investors become more and more interested in how a company makes its money, professional missteps and a toxic culture can have negative effects on the bottom line.
- What happens when leaders cannot or will not accept accountability for their behavior? The sheer volume of scandals Uber faced in one year alone offered its CEO countless opportunities to change his behavior on his own; however, the board was ultimately forced to remove Kalanick.

Supplemental Case Readings

The following articles provide additional information about the Uber case. Instructors may use this as background reading to prepare to lead the class. Additionally, instructors may choose to assign one or more of the articles as supplemental reading.

- [Uber's scandals, blunders and PR disasters: the full list](#)
(The Guardian, June 27, 2017)
- [Uber Founder Travis Kalanick Resigns as C.E.O.](#)
(New York Times, June 21, 2017)
- [Reflecting On One Very, Very Strange Year At Uber](#)
(Susan Fowler, personal blog, February 19, 2017)

Season 3, Episode 1: Driven

Instructor Resources

Below is a suggested structure for class discussion and activities based on this episode. This structure assumes the instructor has assigned students to watch the episode prior to class.

Class Outline:

I. Overview (10 minutes)

- Outline the case and key issues at play.

II. Discussion (30 minutes)

- Open up the floor for class discussion.

- *Discussion questions:*

- Describe the parties involved and their interests.

- Describe the corporate culture at Uber.

- How did Travis Kalanick's personality and actions influence the corporate culture at Uber?

- What did Kalanick stand to gain or lose if he had changed his behavior?

- Describe moments when Kalanick or Uber's shareholders could have made different choices with different outcomes for the company.

- *Suggested themes to highlight:*

- How a toxic corporate culture can affect a company's bottom line.

- Kalanick and/or Uber's investors could have shifted the outcome if they had made different decisions at key turning points. The removal of Kalanick could be seen as a move in the right direction.

III. Activity: Debate (50 minutes)

- Open up the floor for class discussion.

IV. Conclude (15 minutes)

Season 3, Episode 1: Driven

Extension Activities

I. Case Summary

Assignment: Prior to class, assign students to write a three-sentence summary of the case presented in the episode. The summary should include an overview of the key issue presented in the case, along with the case outcome.

II. In-Class Debate

The “bad behavior” of founders and CEOs often trickles down, seeping into a company’s corporate culture and, in some cases, negatively impacts the company’s bottom line. In the case of American Apparel, the company’s notorious “bad boy” founder, Dov Charney, behaved similarly to Travis Kalanick.

Dov Charney and American Apparel: Dov Charney was the founder and CEO of American Apparel, notorious for his “bad boy” behavior and accusations of sexual harassment spanning years. After shares in the company plummeted, the American Apparel board suspended and eventually fired him for his behavior.

1. Split the class into three groups: two groups will argue for and against American Apparel, and the third group will serve as judges. The instructor should print and distribute the applicable article to each group. The judges should read both articles.

- **Pro:** *American Apparel’s board acted appropriately in ousting Dov Charney.*
[American Apparel Ousts Its Founder, Dov Charney, Over Nude Photos](#)
(New York Times, June 21, 2014)
- **Con:** *Dov Charney should not have been fired over sexual harassment claims.*
[Dov Charney Was Fired for Losing Money, Not Sexual Harassment](#)
(Slate, June 27, 2014)

2. Distribute the applicable reading assignment to each group and give students time to read independently and discuss as a group (20 minutes). During this time, the judges should read both articles and discuss the key issues at play.

3. Each group should clearly articulate their stance and make an argument as to why they are correct (5 minutes per group).

4. After each group states their case, the judges should pose questions to each group (5 minutes per group).

5. Judges will then leave the room and deliberate, and return with a final verdict and explanation of their reasoning (10 minutes).

III. Editorial

Assignment: Write a 250-word editorial either siding with or critiquing the actions of Kalanick and Uber's leadership, including their decision-making during the scandal.

Note: Instructors may choose to ask students to use the included ethical frameworks included in the full *Playing by the Rules* classroom materials or other frameworks appropriate to their class in their analysis.

Key considerations:

- *Explain what you would have done if you were on the board of directors of Uber. Would you have kept Kalanick as CEO, or voted to remove him?*
- *Describe the factors contributing to your decision.*
- *How would you weigh the consequences of your decision?*
- *What impact would your decision have on key stakeholders (Uber shareholders, employees, research teams, the public, consumers)?*
- *What possible outcomes do you foresee?*
- *Describe one or two ethical frameworks you would use to weigh your decision.*

Alternate Assignment: Write a 250-word editorial describing a similar ethical dilemma you have personally witnessed or experienced. Please do not reveal details about identities, company, etc. Apply the frameworks discussed in class and the major trade-offs faced by the main decision maker in the dilemma.

IV. Optional Assignment: Opposing Side

Assignment: Write a 250-word response to your own editorial, taking the opposing side. If you argued in favor of firing Kalanick, discuss what considerations the board might consider if they decided to keep him in his position. If you argued in favor of keeping Kalanick, discuss what issues or liabilities might arise as a result of that decision.

Key Considerations:

- *Examine the arguments you made, and take the opposing viewpoint.*
- *How might the situation's outcome change with this new decision?*
- *What impact would your decision have on key stakeholders (shareholders, employees, research teams, the public, consumers)?*
- *Examine the ethical frameworks you used to make your original decision and consider how they apply now.*

V. Related Readings

Instructors may choose to assign additional readings for context on the key issues of this episode, either in advance of class or post-class:

- [**The Six Characteristics of Toxic Leadership**](#)
(Leadership Forces, January 12, 2016).
- [**Coping In A Toxic Work Environment**](#)
(Forbes, June 17, 2013).