Operations Improvement Plan Implementation: Uber Technologies

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**Abstract**

Uber Technologies Inc. is a new and upcoming company that struggles with processes in their operations that will allow the company to continue growth. The company that introduced an innovative idea in the transportation industry has utilized a strategy to keeps costs down, giving the company the opportunity to gain revenue more efficiently. The problem with this strategy is the process in how they treat the drivers they hire to provide services. This paper will further analyze the problem and discuss data collection tools used to implement an operations improvement plan. The most efficient tools and techniques to collect data will be identified. The paper will also describe the supportive data collected that will enhance the elements of the plan.

**Introduction**

Uber’s drivers are currently classified as Independent Contractors. The company’s strategy behind utilizing contract labor to provide services is to keep labor costs down. Drivers use their own vehicles to transport riders and incur all expenses associated with vehicle maintenance and gas. This also allows drivers to set their own schedules by signing on to take assignments when they want. Uber gains revenue by receiving a percentage of each fare. As the company began to grow, they were receiving lawsuits from drivers stating that they should be compensated for vehicle expenses. They believe they should be classified as employees because of the way they are treated by Uber.

Uber maintains control over drivers by requiring a particular vehicle style and sometimes limiting the assignments they send to drivers based on driver ratings. The collected data will analyze the number of lawsuits Uber has received from drivers and the costs incurred by the company from these lawsuits. The research will also include interviews from customers on how they view driver treatments. Also, their opinion on what type of vehicle the drivers have and lastly their overall experience with the company. Data collection on interviews from drivers for the company will be analyzed to base whether the company can continue to classify them as independent contractors. Will the company be able to retain good drivers? Will Uber be able to continue to grow successfully when faced with numerous lawsuits?

**Data Tools and Techniques**

In data collection, the tools used to receive the most accurate data is important in research. When compiling an operations improvement plan, the research presented to executives of a company should include historic and current data. In some instances, this should also include the implications decisions made will have on future success. Qualitative research gathers data on experiences, attitudes, beliefs and motivations from those individuals that have utilized a company’s services. Tools used to gather qualitative data include interviews, focus groups and customer reviews. Qualitative research is designed to reveal a target audience’s range of behavior and their perceptions. Using smaller sample sizes, in qualitative research will facilitate the researcher’s close association with the respondents, and enhance the validity of the data.

Quantitative research methods gather numerical data in the form of polls, surveys and questionnaires. This method provides data for graphs, such as histograms, stacked graphs and scatter plots. Unlike qualitative research, quantitative methods are based on larger sample sizes that are representative of the population. The data gathered is in the form of numbers and statistics, often arranged in tables, charts, figures, or other non-textual forms. Tools used include questionnaires or computer software to collect numerical data.

**Why Quantitative Methods to Collect Data for OIP**

In developing an OIP for Uber Technologies, Inc., Quantitative research tools will be used to gather data. The problem Uber is facing is due to their treatment of drivers and lawsuits that are proving to be costly to the company. There are specific processes currently conducted in their business operations that argue the fact as to whether the drivers should be classified as independent contractors or employees. Using quantitative tools to collect numeric data will allow the company to view the cost implications of these lawsuits. The data will also provide a number of how many lawsuits. This also flows into their customer service. Have there been many complaints about driver performance due to disgruntled drivers continuing to provide services for the company.

Tools to gather numeric data will include surveys of those riders where Uber services are most popular and areas that employ the most drivers. This data will measure if the company will receive further lawsuits due to wage discrepancies and expense reimbursements. Interviews with drivers in the area on their feelings towards company compensation. With competitor companies rising, what is the likelihood of the drivers continuing to drive for Uber. Is their payment structure competitively charged? In the OIP, suggestions will be presented to adjust the treatment of employees in areas where they cannot argue that they should be classified as employees. Making these adjustments could prevent serious cost implications to the company in the future. The company making adjustments to their operations processes can still ensure profitability for the company and at the same time, cover the company from future lawsuits on the issue.

**Data Collection Process**

The data collection process used would include first performing a market analysis where Uber is providing services. Next, analyzing the demographics in that area. This will answer questions as to how many in the area are utilizing the services and their age, median income, career and family size, to name a few. This data will be used in the plan to showcase to the executives the type of customer that is utilizing their services. This will further express why they should adjust processes in both hiring drivers and ensuring that drivers are satisfied with the treatment they are receiving. After those areas of interest have been identified, a sample size will be collected.

The sample size collected will be surveyed. The survey process will be performed electronically by emailing requests to frequent Uber users to complete the survey. Mailings will also be utilized to invite individuals to log in and complete survey. And lastly, a survey will be conducted by interviewers on the street at popular Uber stops. Data collected will then be placed into a bar graph to show how many riders have experienced disgruntled behavior from unhappy drivers and how often. Other graphs will show how many drivers are satisfied with the money they are making with the company. Based on how many drivers are high earners, versus those drivers that work with competitor companies.

**Data to support the Problem Statement**

The current procedures and policies in place provide an argument for drivers that they are employees and not independent contractors as Uber has classified them. Research methods used, will support the recommendations presented in the OIP that the current process could be costly for the company ongoing and in the future. The data collected using quantitative methods, will provide support to the problem statement. Data from driver surveys will measure how often they are planning to take action by filing lawsuits for misappropriated compensation upon the company. Data from riders will show how the frequency of bad experiences with drivers lead them to no longer use services.

**Data Enhancing the flowchart**

Data collected that will enhance the flowchart includes the information collected from drivers on their satisfaction regarding wages. The numeric data will show executives where drivers with lower ratings from customers receive less assignments. This could make the driver become disgruntled and provide poor service. The flowchart identifies how Uber monitors driver ratings and can decide to decrease the number of assignments or discontinue using their services completely based on these ratings. These activities can affect driver morale and cause the company to lose drivers to competitor companies.

**Data Enhancing the Measurement Strategy**

The data collected that would enhance the measurement strategy includes the information collected from drivers on their satisfaction with the amount of wage they receive per ride. In the flowchart, Uber currently sets fares for drivers. Because Uber receives a percentage of the fare, some drivers feel that this is not accurate; the fees do not account for gas and vehicle maintenance. The numeric data collected will provide a measure of the overall satisfaction from both the drivers and the riders that utilize the service. The data collected will provide insight on how successful the company is currently by hiring their drivers on as Independent Contractors.

**Anticipated Recommendations**

Data collected could change the anticipated recommendations. After performing the surveys, it could be discovered that one of the processes recommended for adjustment should remain the same. Whether from the measurement of satisfaction from the riders or from that of the drivers. The main objective is to ensure the company can remain successful and continue to grow with their current processes. It could be discovered through data collection that some of the processes need to be implemented to succeed.

**Conclusion**

The OIP will address the challenges Uber is facing and recommend adjustments to their current processes. The research will collect data on the opinions of driver satisfaction on how they believe they are treated by Uber. Research will also be done to collect data from riders that utilize company services on their experience and how they believe compensation affects driver attitudes. The data collected will be evaluated to provide support and suggestions made in OIP. Using quantitative methods to collect data would be more useful in this situation as the problem the company is facing can have costly implications. The data collected can also be used to review the future costs the company may incur if processes are not improved.

**References**

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**Appendices**

Appendix A

**A prototype or template of the tool proposed.**

The template for performing the survey with riders will include how satisfied they were with their transport. The survey will question the customers’ experience and ask them to rate the experience from “very satisfied to very dissatisfied”. The survey will also ask for any additional comments. Below is an example of the survey and its layout.



Appendix B

**Customer Satisfaction Survey Data Collected**

