



## advisory

The culture at Uber seems to lack any clearly articulated ethical guidelines that are necessary to create a culture that minimizes the risk of misconduct that can lead to scandal. Those guidelines have to come from the CEO, and be firmly supported, resourced and enforced in order for a corporate culture to provide employees with the confidence and strength to resist bad decisions that could put the company at risk.

By now almost everyone has seen the cell phone video footage of the United Airlines scandal involving a paying passenger being dragged off a plane by police, and in the process being seriously injured. The airline industry is a highly complex and competitive industry, with tight timelines and high pressure to fill every available seat. But those pressures were allowed to imbue United with a culture that allowed the bad decisions that ignored the need to treat customers respectfully. CEO Oscar Munoz at first used the ill-advised term “re-accommodate” to describe the man’s forced removal, and also blamed the passenger for being belligerent, but less than 24 hours later, probably on the advice of his public relations and legal advisors, he was more contrite, took full responsibility, offered a full apology and promised to conduct a full review of the company’s procedures and policies that led to the incident. Within a couple of weeks, United announced it had reached a civil settlement with the injured passenger. Despite his initial clumsy words, the CEO’s support of United’s employees, while promising that law enforcement will never again be called to remove seated, paying customers, and his pledge to re-examine all policies and procedures on overselling available seats and dealing with passenger disruption on oversold flights, helped United quell a public relations nightmare. It remains to be seen whether United will be able to use this opportunity to not only bounce back from the scandal, but emerge as a leader in transforming the passenger experience in an industry that is increasingly unpleasant for the traveling public.

Of the three companies described above, Wells Fargo and United have extensive and well-designed codes of ethics and business conduct, including ethics hotlines. However, these policies obviously were not followed, which shows a lack of commitment from senior management. Uber’s code of ethics is focused on the driver-passenger relationship, which reveals a major blind spot in senior management’s perception of what is required to create an ethical culture.

Establishing an ethical corporate culture in your business may seem like a luxury that is an unnecessary use of valuable resources. However, without one, business owners run the risk that well-intentioned managers and employees can do lasting damage to the goodwill and enterprise value that the owners have worked so hard to build. Equally important is to make sure your company’s commitment to creating an ethical culture is embraced and resourced by senior management, including ethics training at all levels.

If you would like to discuss establishing an ethics policy and training program at your company, please feel free to contact PLDO partner Jay Gowell at 401-824-5179 or [jgowell@pldolaw.com](mailto:jgowell@pldolaw.com).



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