

Original Paper

An Analysis of Internal Business Management and Ethical Issues of Uber in the UK—Based on Utilitarianism, Deontology and Corporate Social Responsibility

Xiaohan Shi

Fuzhou University of International Studies and Trade, China

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Abstract

This paper delves into the ethical issues surrounding Uber Technologies Inc., a multinational transportation services company, with a particular focus on its private car hire business in the United Kingdom. The analysis is grounded in three ethical frameworks: utilitarianism, deontology, and corporate social responsibility. The paper begins by acknowledging the widespread adoption of Uber's services in the UK, highlighting its rapid growth and the controversies that have accompanied it. The paper first identifies the primary ethical issue arising from Uber's dominance in the ground transportation market. From a utilitarian perspective, Uber's expansion is deemed ethical as it enhances the overall happiness of the community by providing flexible work opportunities for millions and safer transportation services to passengers. However, this expansion has come at the cost of taxi drivers, who have lost business and face an unfair competitive landscape. The analysis then shifts to a deontological perspective, which emphasizes the importance of fair competition and adherence to categorical imperatives. Corporate social responsibility (CSR) is the third ethical framework employed in this analysis. The paper underscores Uber's responsibility to maintain the social structure and ensure the well-being of all stakeholders. This paper provides a comprehensive analysis of the ethical issues associated with Uber's private car hire business in the UK, drawing on utilitarianism, deontology, and corporate social responsibility. It highlights the challenges faced by the company in balancing its growth with ethical considerations and offers recommendations for future action.

Keywords

Corporate social responsibility, Deontology, Utilitarianism

1. Introduction

Many individuals in the UK download Uber to their phones every week and use it for the first time to order a car. The issue about working in a broader gig economy has been reignited by a recent Supreme Court judgement on Uber's employment model. Uber Technologies Inc. is a company that provides transportation services. Uber is one of the most exciting companies to emerge in the previous decade, owing to its rapid growth and persistent controversy. Uber began as a high-end brand. The motto is "Everyone is a private driver." Serial entrepreneurs Garrett Camp and Travis Kalanick, according to the company's genesis narrative, were unable to get a car after leaving a digital conference called Le Web in Paris in December 2008 (Aslam & Woodcock, 2020).

Uber is no longer the popular on-demand taxi service it once was. Uber Eats (on-demand food delivery) and Uber Freight are two more industries (on-demand trucking). To bring together drivers (supply) and consumers (demand) in order to provide cheaper transportation and other kinds of revenue, Uber's business style is known as a multifaceted platform business model (Aslam and Woodcock, 2020). Commissions are the principal source of income because the company's business plan is based on them. (Coyle, Adams-Prassl, & Adams-Prassl, 2021).

Business visitors and vacationers in Scotland are increasingly using apps, particularly Uber, to get about rather than hiring a car. Uber is catching up to the majority of vehicle rental firms in Scotland. Anyone with a smartphone and connection to the Internet can use Uber. Many rental car firms are located miles away from the airport, which is one reason why business travelers might choose Uber over renting a car. Moral Sentiments members are concerned about Uber's expanding clout in Scotland's private vehicle rental business, as well as passenger safety and security. Uber is facing many legal challenges and protests throughout the world, despite rising demand for its services. By defying its code of conduct and ethical code and participating in unethical behaviors, Uber has backed away from its societal duties (Chee, 2018). In addition, Uber's long-term role as a giant in the sector in Scotland is not a good thing for the industry in the long run. In a market economy, healthy and legitimate competition is a source of motivation to drive the market forward and will allow companies to focus on innovation and constantly improve the quality of their services or products.

The objective of this paper is to look at ethical issues that are associated Uber company and its responsibility to society. The report data and information collection of the Uber report will be done by using analyzed existing literature. This report will identify the ethical issues associated with Uber's private car hire business and an analysis of Uber's corporate social responsibility (CSR) from deontological and utilitarian perspective. This report may provide insight into the implications of Uber's long-standing absolute dominance of the Scotland online taxi industry and whether passengers are safe and secure, and offer constructive comments on the issues mentioned in this paper.

2. Ethical Issues Associated with Uber's Private Car Hire Business

This part aims to identify ethical issues associated with Uber's private car hire business and analyze

those issues from ethical perspectives based on two ethical theories: utilitarianism and deontology.

As Uber's private car hire business blooms, loads of ethical issues have come to the foreground. Initially, the very first emerging issue is that Uber has taken the market share from the taxi industry and other private car hire businesses, resulting from the growing domination of Uber. Goldstein (2018) illustrated that Uber occupied 56% of all ground transportation revenue in 2017, while taxis (including limos and shuttles) only accounted for 7%.

The online car-hailing business represented by Uber has ruled the market of ground transportation and seized the market share originally belonging to the traditional taxi industry, which inevitably harmed the interests of the traditional taxi industry. Therefore, taxi drivers' protests against Uber by taxi drivers present a global and ongoing tendency. Taxi drivers in various countries have staged strikes and marches against the competitive pressure brought by Uber. For example, in January 2016, French taxi drivers staged a nationwide protest and strike, demanding the government stop the unfair and disruptive competition. Similarly, Spanish taxi drivers also staged a strike against Uber, demanding the government downsize the number of Uber drivers in July 2018. Recently, many cab drivers in Oxford have protested against Uber, accusing that Uber does not have an operating licence.

Consequently, while Uber has changed the whole competitive landscape of ground transportation, it also raises an ethical issue that involves three groups of key stakeholders: Uber drivers, taxi drivers and passengers. As the online car-hailing business becomes more and more prosperous, the traditional taxi drivers oppositely have to face the falling income and even the risk of unemployment. Meanwhile, changes of transportation service from the traditional taxi to ride-hailing lie before passengers.

From the perspective of utilitarianism, the domination of Uber is ethical as it augments greater happiness of the community than any it has to diminish. Although loads of taxi drivers suffer a loss due to Uber, Uber has created abundant flexible work and provided safer transportation service to passengers. According to Uber's 2021 ESG report, It is claimed that by the end of 2021, Uber has provided accessible, flexible work for around 26 million people all over 71 countries. Uber also declared that its low barriers to entry provide equal access to work for all people regardless of race, ethnicity, gender, etc. The research of Coyle, Adams-Prassl and Adams-Prassl (2021) also supported this point that drivers from ethnic minorities or disadvantaged areas benefited from Uber's digital platform models. Moreover, the transportation services provided by Uber is safer than the ones provided by the traditional taxi industry. Tacker (2021) argued that Uber travel is much safer for passengers than the traditional taxi one through analyzing two travel services' performance on the driving safety, driver assault, drunk driving etc. The investigation conducted by the China justice big data service platform also supports the view that ride-hailing travel is safer than the taxi one as the figure showed that the crime rate of taxi drivers is thirteen times as much as the crime rate of ride-hailing drivers in 2017 in China. What's more, Cramer and Krueger (2016) argued that UberX drivers are supposed to achieve dramatically higher capacity utilization rates than taxi drivers with its driver-passenger matching technology, large-scale drive partners, freedom from inefficient taxi licensing regulations and flexibility. Therefore, the online

ride-hailing business model may be more efficient than the taxi industry.

Overall, both Uber drivers and passengers have benefited in the ethical issue. And the loss of taxi drivers is acceptable from the perspective of utilitarianism. However, from the perspective of deontology, the domination of Uber is unethical as Uber is supposed to act against the categorical imperative that fair competition should be ensured. Although the main business of Uber drivers is the same as taxi drivers, Uber drivers are free from relevant official licenses and regulations, which creates an unfair competitive landscape, violating the categorical imperative and harming the interests of taxi drivers. Therefore, the domination of Uber seems to be unethical as far as deontology is concerned.

Other ethical issues also emerge. For instance, the App Drivers & Courier Union composed of UK private hire drivers & couriers has staged loads of strikes, demanding better conditions for private hire drivers. Therefore, the absence of corresponding job security of Uber's drivers and the safety and security of passengers are also two crucial ethical issues that should be related to Uber's corporate social responsibility.

3. Uber's Corporate Social Responsibility

3.1 What is the Impact of Uber's Growing Dominance of the Private Hire Market in Scotland

This paper believes that Uber should be obliged to undertake external social responsibilities. Corporate social responsibility is not only positively correlated with its financial performance, but also an important part of any business activities (Spence et al., 2011). And in the context of the negative impact of the COVID-19 coronavirus pandemic on the global economy, all issues related to social responsibility and social protection will become increasingly important and relevant. Therefore, how to restrain unethical behavior is one of the important dilemmas for enterprises (Spence et al., 2011). This paper discusses the economic situation of Uber's increasingly dominant position in the Scottish private car rental market from the perspectives of deontology and utilitarianism.

Deontology emphasizes the importance of Uber's fulfillment of social obligations and responsibilities, that is, Uber has the responsibility to take the initiative to maintain the social structure out of good motives (Galetska et al., 2020). First, Uber has expanded its market share while providing more jobs, benefiting poor areas and minority Asians (Spence et al., 2011). And it respects human rights morally. People work more flexible hours and have more time for entertainment and family. Meanwhile, as Uber drivers are judged as "workers" by the court, the government has more tax revenue, because workers pay more tax as employees, which creates considerable income for the government (Coyle, Adams-Prassl, & Adams-Prassl, 2021). This economic phenomenon makes Uber drivers attract the attention of the government, and makes drivers get more moral protection, such as minimum wage and pension. Second, As a large enterprise, Uber plays a leading role in social responsibility and moral discourse (Galetska et al., 2020). Spence et al. (2011) believes that many small and medium-sized enterprises do not know the moral standards, and they need a role model. Uber can establish a good corporate image when regulating its own moral behavior.

However, the economic phenomenon of Uber occupying the private car rental market in Scotland also has many disadvantages. Firstly, it breaks the balance of the market. Spence et al. (2011) believes that enterprises have the obligation to maintain the market order actively, and breaking the market order is immoral competition. This may lead to low labor force and low productivity in the society, because Uber's almost monopoly competition model leads to insufficient labor development incentives for small and medium-sized enterprises (Galetska et al., 2020). Therefore, Uber's dominant position in the Private car rental market in Scotland requires a correct code of ethics, that is, the obligation to take the initiative to maintain market order.

But in general, Uber has been consistently losing money. This is because As a digital platform, Uber's business model needs to attract both suppliers and customers to make a profit, but it usually runs at a loss (Coyle, Adams-Prassl, & Adams-Prassl, 2021). As a result, Uber needs to gain market share to ensure continued profitability. Uber has a share of the private car rental market in Scotland. From the perspective of its own profit, Uber takes its actual efficacy or interest as its moral standard, which belongs to utilitarianism.

3.2 The Security and Safety Issues of Uber's Passengers

Some drivers want to get their passengers to their destination as quickly as possible so they can get paid for completing the task as quickly as possible. These drivers may speed up their driving, or violate traffic rules and take shortcuts beyond the jurisdiction of traffic laws, which will threaten the lives of passengers. On the other hand, some drivers are so utilitarian that they define passengers based on how much they tip. When passengers tip little, these drivers will have a bad attitude, ignore the demands of passengers, or sometimes deliberately detour so that passengers pay more for the ride. This will cause damage to passengers' psychology and economy, and will also delay passengers' itinerary.

Likewise, the inability of passengers and drivers to understand each other can create safety and security issues. Passengers don't know what kind of driver they will face when they call with Uber app. Some drivers have bad behaviors, such as smoking, racing or not wearing face masks during the severe period of covid-19, which will threaten the personal health of passengers. Moreover, drivers may have distorted social concepts, such as clanism, sexism, etc. They may be unfriendly to passengers, behave badly in the face of passengers' inquiries, and make verbal satire, which will cause serious harm to the hearts of passengers.

The reason for the above incident is that Uber drivers are too utilitarian, and the utilitarianism of drivers is caused by Uber company being too utilitarian. Utilitarianism is a moral concept with practical interests as the moral standard. It pays more attention to the quality of doing something and ignores the moral obligations that should be followed (Karnouskos, 2021). For Uber company, focusing on profitability, improving performance and pursuing profit maximization are their important goals. However, such utilitarian behavior often distorts capital allocation, such as uneven distribution according to work, excessive deduction of employees' salaries, lack of respect for individual rights and dignity, damage the interests of stakeholders, and despise the social responsibility that should be

performed. This series of actions will damage the long-term development of the company.

Deontology can reasonably criticize the utilitarian behavior of enterprises and improve the development of enterprises. Deontology emphasizes the importance of moral obligations and responsibilities, requiring that companies must abide by moral principles, and any action motive must be based on responsibility (Misselbrook, 2013). As Kant said: Responsibility is a must, even if it doesn't make you feel good. For Uber, they should shift their moral concepts to deontology and follow corporate social responsibility. For Uber to maximize its long-term utility, any power, freedom, and justice need to be respected. Uber's social responsibility can be improved from employees (drivers), ensuring their power, based on their respect, and improving their professionalism. Reasonably distribute salaries, create a good working environment for them, and promote the importance of social responsibility (Galetska et al., 2020). In this way, drivers will fulfill their social responsibilities and be responsible for the safety of passengers' lives.

4. Conclusion and Suggestions

With the blossom of Uber's private car hire business, there are three important ethical issues that mainly involve taxi drivers, Uber's drivers and passengers:

1. The taxi industry is threatened by Uber's ride-hailing business and interests of taxi drivers are harmed.
2. The lack of corresponding job security of Uber's drivers is also an ethical issue which is related to Uber's corporate social responsibility.
3. The safety and security of passengers are the last ethical issue that should be taken into account.

Corporate social responsibility, as a moral value system, can adjust the social structure and ensure social stability and the development of living conditions. As a large enterprise with a digital platform, Uber should shoulder the leadership responsibility and set a good example for small and medium-sized enterprises. This paper argues that In terms of deontology, Uber should encourage competition, build a good reputation and cultivate long-term relationships with customers. Measures can be taken to promote the innovation of corporate social responsibility practice tools and improve financial transparency.

In addition, Uber should be less utilitarian. Uber should not only reduce unethical competition, but also focus on employees (drivers), improve productivity and professional standards, comply with labor laws, protect customers (passengers) and do a good job in safety. This will allow the company's stakeholders: employees (drivers) and customers (passengers) to be respected and protected. In the long run, the company's performance, reputation and social status will be improved, creating more wealth for Uber's long-term development.

This paper delves into the ethical issues surrounding Uber Technologies Inc., a multinational transportation services company, with a particular focus on its private car hire business in the United Kingdom. The analysis is grounded in three ethical frameworks: utilitarianism, deontology, and corporate social responsibility. The paper begins by acknowledging the widespread adoption of Uber's

services in the UK, highlighting its rapid growth and the controversies that have accompanied it.

The paper first identifies the primary ethical issue arising from Uber's dominance in the ground transportation market. Uber's increasing market share, estimated to be 56% of all ground transportation revenue in 2017, has significantly impacted the traditional taxi industry, leading to protests and legal challenges worldwide. From a utilitarian perspective, Uber's expansion is deemed ethical as it enhances the overall happiness of the community by providing flexible work opportunities for millions and safer transportation services to passengers. However, this expansion has come at the cost of taxi drivers, who have lost business and face an unfair competitive landscape.

The analysis then shifts to a deontological perspective, which emphasizes the importance of fair competition and adherence to categorical imperatives. Here, Uber's lack of official licenses and regulations for its drivers is seen as unethical, as it violates the principle of fair competition and harms the interests of taxi drivers. The paper argues that Uber's business model, while beneficial to drivers and passengers in terms of flexibility and safety, undermines the social structure and ethical norms of the taxi industry.

Corporate social responsibility (CSR) is the third ethical framework employed in this analysis. The paper underscores Uber's responsibility to maintain the social structure and ensure the well-being of all stakeholders. While Uber has provided jobs and economic benefits to disadvantaged areas, its long-term dominance in the sector is seen as detrimental to the industry's health. The paper suggests that Uber should prioritize ethical competition, focus on employee welfare, improve productivity and professional standards, and comply with labor laws to fulfill its social obligations.

The paper concludes by emphasizing the need for Uber to balance its pursuit of profit with ethical considerations. It recommends that Uber adopt a less utilitarian approach and prioritize the interests of all stakeholders, including taxi drivers, Uber drivers, and passengers. By doing so, Uber can maintain its position as a leading transportation services provider while contributing positively to the social and economic fabric of the UK.

In summary, this paper provides a comprehensive analysis of the ethical issues associated with Uber's private car hire business in the UK, drawing on utilitarianism, deontology, and corporate social responsibility. It highlights the challenges faced by the company in balancing its growth with ethical considerations and offers recommendations for future action.

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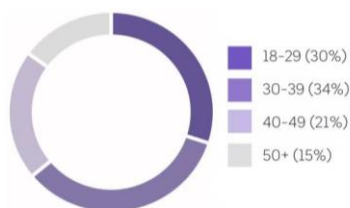
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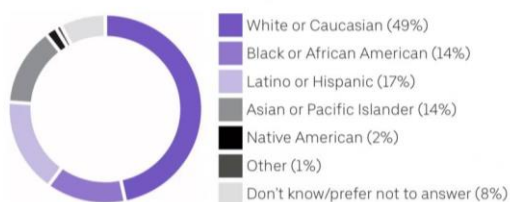
Appendix

Driver and delivery person demographics⁶

Age (global)⁷



Race and ethnicity (US only)⁸



Appendix sources: Uber's full 2021 ESG Report.